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AN ANALYSIS OF THE PERSONNEL
SELECTION PRACTICES
IN COLOMBIA

A Thesis

Presented to

the Graduate Faculty of the Fort Hays
Kansas State College in Partial Fulfillment
of the Requirements for the Degree of Master of Science

by

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April, 1963

Date 4-10-63

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To my brother Hugo who made possible the
completion of this thesis through his efforts
of gathering necessary information about
Colombian companies.

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Augusto Arias

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INTRODUCTION

The purpose of this thesis is to point out the main features of present personnel selection practices pursued by private business firms in the United States and Colombia. To illustrate personnel practices in the United States the personnel selection policies of some of the internationally known and privately owned companies are discussed.

Information has been obtained from both U. S. and Colombian firms about their different techniques in hiring people and it has been observed that with a few exceptions the Colombian enterprises do not have a definite and regular process technically adjusted to their present needs.

Some patterns of personnel selection are explained which Colombian companies could follow to improve the rate of economic growth in Colombia. To meet this goal having the right people in the right place is essential.

Through this paper an effort will be made to prove how efficiency increases when applicants have been carefully selected. We intend to set up specific recommendations for the elimination of inefficient selection practices.

It is interesting to define what personnel selection is: "in its restrictive meaning, selection, is the process by which potential employees, recruited from various sources, are examined and separated into two classes, those to be employed and those who are not to be accepted".¹ As it can be

¹Dale Yale, Personnel Management & Ind. Relations (New York: Prentice-Hall, Inc., 1948), p. 182.

noted the selective process is a negative one. Essentially it consists of a procedure for identifying and eliminating those who are not believed to be appropriate candidates for available jobs. Selection is directly related to recruitment, which supplies the people from which selection is made.

The policies of both Colombian and United States business firms have been analyzed. The analysis leads to the conclusion that personnel practices are not too efficient in Colombia. Finally , certain recommendations for the improvement of these practices in Colombia are discussed.

It also should be said that there are some limitations in this study. There is lack of information on particular personnel practices and not many books have been published in Colombia concerning personnel policies of business firms. There is also a limitation of periodicals and material found in the Forsyth Library on South American privately owned industrial enterprises.

CHAPTER I

Personnel Selection Practices of American Business Firms.

- a. Objectives
- b. Most common sources of labor
- c. Procedure:
 - 1. Steps
 - 2. Information sought on the application form
 - 3. Who does the interviewing
 - 4. Reliance upon interview
 - 5. Reliance upon recommendation
 - 6. Tests
 - 7. Reliance upon tests
 - 8. Who makes final decisions
 - 9. Physical examination
 - 10. Placement

a. Objectives

Undoubtedly the objectives of all kinds of business firms are the same: make profits. But to obtain profits it is necessary to produce at the lowest cost possible and this means high efficiency in production. Skillful workers and capable executives operating machines and directing the activities in the company are needed as well as the sincere interest to make the institution bigger and more prosperous. These objectives are obvious in each company and the best way to achieve them is to hire the most qualified candidates to do the job for which they are most suited.

From a number of companies the following statements have been abstracted to indicate the main objectives of their programs of selecting personnel. General Motors Corporation states,

We recognize the advantages of selecting the workers carefully and fitting them to the position to be occupied. At the same time we try to avoid the casual faults of the job filling procedure. We also do not show the tendency to avoid the tedious work that is necessary for careful selection and the common and dangerous actions of many persons who believe they can identify desirable applicants by personal observation and are able to determine, without assistance, whether the candidates have a wide range of abilities and capabilities or not.²

Aluminum Corporation of America, states on the objectives of its personnel policy,

Our present day procedures attempt to avoid weaknesses of selection such as personal bias and prejudicial, favoritism, unreasonable preferences for one group or another such as religious denominations or fraternal groups. The function of selecting involves a careful correlation of human characteristics and job requirements to the end that the individual may fit the job. Such a process requires for its efficient operation a well tailored job analysis and a recognition of individuals' talents.³

²The College Graduate and General Motors (Publication of the Company, Detroit: General Motors, not dated), p. 9.

³A Carrier for you with Alcoa (Publication of the Company, Pittsburgh: Aluminum Company of America, 1961) p. 16.

The American Investment Company in one of its publications and under the title of "selecting", states,

After the recruitment have furnished enough people to make a selection, the more important task is faced and this is to select the right person. Improper selection increases turnover and turnover breaks down growth. Since we improved our selecting methods ten years ago, the company has not had strikes or high turnover and our growth in operations has been considerable increased.⁴

United States Steel Corporation of Pennsylvania in its "Paths of Opportunity" states,

Our company wants people on jobs as steady employees, and endeavors at all times to provide uninterrupted employment. Management is responsible for good selection procedures in the same way that it is responsible for other management practices in the factory. Selection practices must be observed and evaluated on a continuous basis, and appropriate measures must be taken where they are needed. Our present hiring methods can be improved. In some instances we have experienced difficulties in hiring new employees because of limited manpower sources, however, in most cases, when help is needed, we simply open our doors, interview, and hire job applicants. This course of action restricts our opportunity to obtain desirable employees.⁵

Finally, the Owens-Illinois Company of Ohio in its "Aims and Functions" states the following objectives of its personnel selection program,

A soundly conceived and well administered personnel program can contribute to the efficiency, teamwork and morale of people working together. Simply put, the main purpose of such a program is to select, place, train and motivate people to work with understanding, cooperation, trust and confidence in each other. The principle of the square deal in daily practice for all people - on all levels - from top to bottom - plus decent, considerate, and understanding treatment, also on a daily basis and for a long pull, is the very bedrock of a good people's program.⁶

⁴American Investment Company, Recruiting, Selecting & Training Employees. From the Manual for Employees, Unit IX, p. 5.

⁵Path of Opportunity (Publication of the Company. New York: United States Steel Corporation, not dated), p. 11.

⁶Owens-Illinois Co. Aims and Functions (Publication of the Company, Ohio: Owens-Illinois Co., 1961), p. 1.

It will be interesting to list the sources of personnel most frequently used in U. S. which later will be compared with those used by Colombian companies.

b. Most Common Sources of Labor

As a general rule, American companies use the same sources of labor. The American Investment Company of Illinois in its publication related with recruitment and selection processes, lists the different sources of labor used by their personnel department which gives a good idea of what is used in the U. S. The sources of labor are:

Recruitment through employees

"When a job vacancy occurs or the staff is to be increased, the manager should first consult his own people. The percentage of qualified and successful people brought into this organization through the referrals of present employees is higher than that of any other source."⁷ This company by means of "Introductory Cards" such as "Have you told your friends?", seeks to help managers recruit through present employees and to help employees perform a function which is extremely satisfying to many of them - that of recommending a friend for employment. When needing an employee, they state, that the manager should give each of his employees one or two of the referral cards, plus several copies of the brochure, "A Future with Security". If an employee should refer someone at a time when there is no opening in the office, the applicant is to be referred to other managers in the area who need employees.

⁷ American Investment Company, op. cit., pp. 2-4.

Recruitment through employment agencies

In most communities, employment agencies cannot be expected to make referrals unless they are regularly contacted and are given ideas and material to assist them in their efforts. Quite often specialized openings are fulfilled through this kind of recruitment tool. Such is the case of Cit-Con Oil Corporation of Louisiana which cites, "On certain jobs - stenographic as well as technical - we notify the Louisiana Employment Service for our needs and they send to us screened qualified prospects to supplement those that have already applied."⁸

Also, there are companies whose policy is to hire only those who come from the employment agency. This is the case of Adams Engineering Co., Inc. of Florida which says, "On some occasions we will make contacts with other sources but only when the State Employment Service cannot fulfill our requisition."⁹

Recruitment through customers

"Our customers can be excellent sources of new employees,"¹⁰ states the Personnel Department of American Investment Company. Certain customers will be interested personally and many will have friends who could be interested.

The same opinion is given by the Director of Industrial Relations of Behr Manning Company of New York for he states, "Our reputation in the community brings many applicants to our employment office, including

⁸ From the answers to the questionnaire given by the manager of personnel of Cit-Con Oil Co. of Louisiana.

⁹ From the answers to the questionnaire given by J. O. Grady personnel director of Adams Engineering Co. Inc. of Miami, Florida.

¹⁰ American Investment Co., op. cit., p. 3.

friends and relatives of our current employees."¹¹

This means of recruiting people through customers is frequently used among American companies and it is considered one of the most important sources of personnel. The Ball Brother's Company Incorporated of Indiana, for instance, recruits technical people in the "Space Sciences" at Conventions and by letters to customers and friends of current employees as this method has proved to be effective.

Recruitment through Help Wanted Ads

Probably the most common form of recruitment is the "Want Ad" in the classified section of a newspaper. Also, as The Carter's Ink Company of Massachusetts concludes, "We feel that newspaper advertising provides the broadest canvass of the market."¹² As a matter of fact, this means of recruitment is well known and extensively used throughout the country since 85 per cent of our respondents reported this method of recruitment.

Recruitment through Schools & Colleges

This method of recruiting personnel is widely used and its use may increase as College placement facilities become better. The general thought is that it is one of the best ways to select potential management people or personnel with specific qualifications.

There are some companies which warmly defend this type of recruitment because of its effectiveness in finding labor. For instance, The Bassick Company of Connecticut, textually writes, "Special techniques usually are expensive but are sometimes necessary as the only means of

¹¹From the answers to the questionnaire given by the personnel director of Behr-Manning Co. of Troy, New York.

¹²From the answers to the questionnaire given by J. Tusher personnel director of The Carter's Ink Co. of Cambridge, Mass.

attracting people. College recruitment is expensive but necessary."¹³

Also, Standard Oil Company of California in relation to this source of hiring people, states,

Our company obtains professional candidates from two sources: the first is through universities and colleges throughout the country and interviews through college placement offices on campus; the second method is through college placement offices on campus; the second method is through interviews of candidates who drop in at Home Office. The bulk of our candidates is obtained through our college recruitment program. We prefer this method, since by selecting the schools and the departments which have the largest number of candidates in the fields in which we have interest, we have been more than successful in filling our professional requirements.¹⁴

In the same way a number of business firms hire students who will be graduated at college or high school, especially those recommended on the basis of ability by the guidance counselors.

Recruitment through walk-in applicants

This unsolicited source of manpower is quite common and of great importance especially to companies which have a good reputation as being a good place to work. The ways in which companies obtain applicants are through the mails and in person without any effort on the part of the employment department. Usually, it has been noticed, companies do not pay a great deal of attention to these candidates but at the same time do not ignore them.

As examples, it may be said that walk-in applicants are the third richest source of labor for AMP Incorporated of Pennsylvania. In the

¹³ From the answers to the questionnaire given by the personnel director of The Bassick Co. of Bridgeport, Conn.

¹⁴ From the answers of questionnaire given by R. E. Rodman professional employment officer of Standard Oil Co. of California, September 1962.

case of Central Maine Power Company most of the new employees are recruited through applications made direct to the company. Also for Birmingham Trust National Bank of Alabama, the walk-in way is the main method to hire what they call "other openings" as in contrast with "specialized openings".

c. Procedure

1. Steps - The general procedure in hiring people is more or less the same for every company. Some have a longer period for evaluation and judgement of the new applicants; others have simplified the whole process in two or three steps which they considered sufficient in order to know the qualifications of the candidate.

The American Broadcasting Company uses the following general procedure which represents in detail a widely used selection process in this country:

The first step in the selection process is the short preliminary interview (screening interview) after the applicant fills out the introduction card. At this stage, it is determined briefly whether the applicant's general experience and qualifications qualify him for consideration for present or future openings. If he or she is so qualified, tests (steno and typing) are administered, where applicable, and a larger application form is filled out upon satisfactory completion of the above tests. This is the stage where the applicant is most likely to be rejected for reasons such as poor employment record or unsatisfactory skills (stenography and typing). The next stage is a longer "evaluation" interview to determine related experience, type and level of duties performed. We look for evidence of ability in promotions, increases, length of time in jobs and references from previous employers. Suitability for the job is appraised by examining level, extent and relation of experience to job at hand, likes and dislikes, similarities and dissimilarities as they apply to the job in addition to reasons for seeking new employment. If the applicant is found satisfactory, references from his past employers are obtained by telephone or telegram. The candidate is then referred to the supervisor or department head for further interviews. From a group of

qualified candidates, one is selected by the supervisor in conjunction with the Personnel Department. His employment is subject to a physical examination administered by the Company Medical Director to evaluate physical and medical capacity to perform job requirements.¹⁵

2. Information sought on the application form - All the firms use an application form in order to have basic information on their employees in the records kept by the company. Here is an example of that information.

The main type of information sought on the application form is:

- a. Identification: name, social security number, marital status, present address, permanent address.
- b. General Personal History: birthplace of the applicant, date of birth, age, race or color, sex, height, weight, color of eyes, color of hair, complexion, citizenship, religious preference, birthplace of father, birthday of mother.
- c. Position sought: department in which position is sought, specific position sought, salary expected, actual occupation.
- d. Education: highest grade completed, major studies, name and address of college or university attended, degree, other education or studies, foreign language knowledge.
- e. Experience: former employers, name and address, kind of work, monthly salary, date started, date left, reason for leaving, additional remarks.

¹⁵

From the answers to the questionnaire given by the personnel director of American Broadcasting Co.

f. Military Record: branch of service, date of entry, date of discharge, kind of discharge, highest rank or rating, training schools.

g. References: names, addresses, city and state, telephone number.

h. Certification: signature of applicant.

3. Who does the interviewing? - Usually, there are two or three employees of the Personnel Department who do the bulk of the interviewing. It is common to find one Employment Manager who is concerned predominantly with higher level positions and two Personnel Representatives who do the remainder of the interviewing. There is a formal training program for these jobs as 60 per cent of companies reported; besides, the incumbents are qualified by previous personnel experience, and/or education (graduate training in Industrial Psychology & Business Administration), and by on the job training. The thorough knowledge of the company that is required by the position is a function of time on the job.

In the companies operating in several states through the country, in the branch offices, the manager does the interviewing and, in the Home Office, the Personnel Department handles this function.

Westinghouse Electric Corporation of Massachusetts has a little different understanding of the functions of interviewing. Its policy is as follows:

The interviewing of candidates is done both by the Industrial Relations Supervisor and the supervisor of the area in which the open position has occurred. It is felt that this practice is desirable since the Industrial Relations interview can reject those candidates which are obviously not desirable for

company employment based on their past employment history. For example, a man who has been repeatedly discharged for intoxication would not normally be considered for employment at this location. By having the second interview with the area supervisor, we can determine exactly what skills the man possesses. This gives both the applicant and the supervisor an opportunity to meet and discuss information relative to the position prior to actually beginning on the job.¹⁶

The Bank of Hawaii interviews new employees in this way: male candidates are interviewed by the Personnel Officer and female candidates are handled by women interviewers who receive "on the job" training.

The Sun Oil Company of Pennsylvania and American Scientific Laboratories of Wisconsin have a staff of recruiters employed in their Industrial Relations Department. The employees engaged in this task are:

Personnel Assistant

Personnel Manager

Division Head

Supervisor

Other Employees

These recruiters do most of the recruiting on college level and make arrangements and interviews at the campus.

An important fact of the American companies is the qualification of trainee interviewers working in the personnel departments. Robert W. Jolly in his Summary of Campus Recruitment says about the interviewers of U. S. business firms,

Recruiters generally regard placement directors as well qualified for their assignments. Usually the placement head is an alumnus. Often he holds advanced degrees. At many larger insti-

¹⁶

From the answers to the questionnaire given by the industrial relations manager of Westinghouse Electric Corp. of Massachusetts.

tutions the director is a former professor holding a doctorate and he is backed up by a corps of master's degree people - often with backgrounds in psychology. Placement is becoming increasingly professionalized and the amount and nature of industry's demand will speed that trend.¹⁷

4. Reliance upon interview - Although there is some disagreement and opposing concepts, the great bulk of companies heavily trust the results of the interview. The most common answers when companies were asked about how much reliance should be put upon the interview were: "considerable", "heavy", "60 per cent", "75 per cent", and there were some which did not hesitate to say that the use of multiple interviews in conjunction with test information is the chief basis for selection. Others, such as Standard Oil Company of New Jersey, place a great deal of reliance on the recommendation of the interviewer. They do not consider any candidate whom the interviewer does not recommend. Those candidates who are recommended are usually evaluated on the basis of the quantitative recommendation which the interviewer places on him when considering his over-all education and experience.

5. Reliance upon recommendations - The reliance upon recommendations depends on who makes them. If the recommendations from previous employers are all consistent in the same direction, companies generally place great reliance on them. If, however, they are inconsistent, companies after exploring the inconsistencies with the applicant will draw their own conclusions. When recommendations come from interviewers, companies

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Robert W. Jolly, A Summary of Campus Recruitment Survey Results (Detroit: Wayne University, 1954), p. 6.

place complete reliance on them in deciding which candidates should receive offers. However, if the recommendations came from an employee whose employment status was considered as barely satisfactory, it would not carry any weight.

6. Tests¹⁸ - The use of tests in personnel selection is wide because of their recognized importance in evaluating certain qualities of individuals to be hired. Let us take a look at the different testing programs of this country. The following tests are the most often given:

1. Wonderlic Personnel Test
2. Bennet Short Employment Tests (verbal, numerical, clerical)
3. Kuder Interest
4. Otis Intelligence
5. Guilford Zimmerman and Benreuter Personality
6. Minnesota Clerical and D.A.T. Battery Aptitudes and Skills
7. C.A.-Z- Clerical Aptitude
8. Rock Sales Situations Test
9. Purdue Peg-Board Personal-Social Aptitudes
10. Miller Analogies
11. A five minute copy typing test
12. A ten minute shorthand test using speeds of 90, 100 and 110 wpm.

¹⁸ Gertrude H. Hildreth, A Bibliography of Mental Tests and Rating Scales (second edition; New York: The Psychological Corporation, 1939), pp. 295.

See also, Oscar Krisen Buros (ed.), Mental Measurement Year Book (Highland Park: The Gryphon Press, 1959), pp. 1292.

Testing in connection with recruitment and in relation to selection is a subject about which many industrial employees tend to have strong and, often, subjective views. Unfortunately, the opinion of many top management men (this does not, of course, apply to professional personnel people) is frequently either that psychology has "nothing" to offer in the assessment process, or else that tests are "infallible" and should serve as the sole criterion in selection.

7. Reliance upon tests - The controversy is still strong concerning the amount of reliance to be placed upon tests.

"Tests are valuable when properly administered and interpreted",¹⁹ says the Personnel Director of The Carter's Ink Co. of Massachusetts and he continues by saying, "They (tests) primarily give added insights which supplement interview findings. They are predictive of failure in some cases and, provide limited prediction of success in others. But taken alone they measure some facets of complex personality and are not sufficient for employment judgement."²⁰ The Personnel Department Director of The American Can Company of New York, states, "Obviously specific skills tests for such jobs as stenographer, typist, street truck driver, etc., are controlling. If the girl cannot type or the man cannot drive a truck, he or she does not get hired. Other tests merely supplement the interviewer's judgement."²¹

¹⁹The Carter's Ink Co. See footnote No. 12.

²⁰Ibid.

²¹From the answers to the questionnaire given by R. H. Seymer, assistant employment and plant training of American Can Co. of New York, August 1962.

The American Investment Company states, "Applicants must make our minimum scores (at least) or they won't be hired."²²

The Standard Oil Company of California answer the question about how much reliance they put on tests, categorically, "none".²³ The Bank of New York also uses one word to answer the same question, "Some".²⁴

The Avondale Shipyards Inc. of Louisiana states, "The applicant has to pass Welding Test or will not be hired."²⁵

Finally, the Behr-Manning Company of New York implies, "We take them (tests) with a grain of salt. Sometimes we hire a candidate we think looks good in spite of poor showing on test. In these cases we seem to be guessing right more often than not."²⁶

8. Who makes final decision? - The final decision is usually made either by the Personnel Manager or employee's potential supervisor where the opening has occurred, however, in some cases the General Manager will voice his opinion and the final decision is made jointly.

9. Physical examination - A physical examination is given after the interviews have been completed. It is designed to give the company information about the physical limitations which the applicant may show as well as those which are not apparent. It is well accepted by everyone that the examination is of benefit not only to the company but also to the

²²From the answers to the questionnaire given by James F. Helms personnel director of the American Investment Co. of Illinois, August 1962.

²³The Standard Oil Co. of California. See footnote No. 14.

²⁴From the answers to the questionnaire given by the personnel director of The Bank of New York.

²⁵From the answers to the questionnaire given by the personnel director of Avondale Shipyards, Inc. of Louisiana.

²⁶The Behr-Manning Co. See footnote No. 11.

prospective employee. In some instances, the candidate is made aware of deficiencies unknown to him and also at the same time he is qualified for participation in the group insurance program.

Few companies do not give a physical examination due to their type business (all office jobs) but, occasionally they do request a doctor's statement if suspected that an applicant has been ill.

10. Placement - This is the final step in the employment procedure. The induction procedure of a large number of employers provides that the new employee signs all kinds of employment cards such as payroll forms, social security and the like for purposes of tax deductions. He is then given essential facts concerning company history and policies of the company toward its employees are discussed. Later, the new employee is introduced to the superintendent for explanation of the work of the department and its safety rules. Employee services such as all recreation facilities are then discussed with the worker.

In many companies it is observed that the step of placement is involved with a general one called "Orientation or Induction of the worker to the job". Here the newly hired employee is informed about the company, its rules and procedures, social security plans, job requirements, and through the introduction to his new fellow employees, the management tries to win his confidence and good will.

In this first chapter there are some conclusions that may be pointed out. First, it is a fact that most American firms have an organized personnel department which render important assistance to other departments in the handling of their personnel functions.

Next, the objective of the personnel selection practices of United States companies is the adequate fulfilment of the job requirements, which is, the finding of the right man.

As a third conclusion it may be said that the practices of personnel of American business firms closely follow what we call sound practices of Personnel Selection, the subject of the second chapter.

Finally, there is no doubt that one of the reasons explaining the high efficiency of U. S. private firms is their well tailored personnel selection programs.

CHAPTER II

Sound Personnel Selection Practices

- a. Objectives
- b. Sources of Labor
- c. General Procedure
- d. Conclusions

a. Objectives

Undoubtedly the main goal of a modern personnel selective program is to make use of every available means to find individuals with the qualifications, abilities, characteristics and interests disclosed by job specifications. In other words, after the recruitment efforts have attracted a reasonable number of the right kind of people for the job offered, it is faced with the more important task of selecting the right person. Obviously, if the right person is not selected, it cannot be hoped that the job will be done properly and it cannot help but increase the employee turnover figures.

To illustrate: If a man does not have aptitude for a particular company's business or if a girl does not have the basic skills necessary to handle the work assigned her, dismissal is inevitable. On the other hand, if an individual's ambitions or aspirations cannot be satisfied in a type of activities, he resigns. Hence, any way in which this is considered, poor selection is "the parent of turnover".²⁷

Companies should seek constantly to get the right person in the right job from newly hired employee to president. A complete series of selection, employment, training, and salary programs should exist in each company to accomplish this goal. Later employees should feel that they are considered companies' most important asset.

As a general personnel philosophy, people ought to be hired on the basis of individual merit and never mass hired for jobs that do not exist, in order that firms will steadily improve its manpower resources by

²⁷American Investment Co., op. cit., p. 5.

recruiting personnel with the required qualifications. Moreover, it is very important to think ahead in selecting people in order to avoid last minute problems. That means that if the company knows the qualifications required of the prospective employees by the time of hiring, the accuracy of selecting the right people will be greater. Possible ways to foresee the employment needs are:

1. Checking employment experience for the past few years to see how many people the company has had need of and when it has needed them.
2. Checking with the person in charge of production scheduling to see if he knows any reason to expect a change this year.
3. Checking well in advance with employees who have been laid off to see whether they expect to be available when company will need them.
4. Determining, by subtraction, how many new employees the company is apt to need and when they have been needed.
5. Considering how many of these new employees are likely to be laid off following the seasonal peak, so that it will be known how many employees the company can use efficiently.

Naturally these are only estimates and they may need to be adjusted to each organization. But if made realistically, it will be found that they are sufficiently accurate so that the management can start recruiting some time ahead of the needs.

Dale Yoder wrote about the objectives of the selection process,

The function of selection, reduced to its simplest form, involves the careful correlation of human characteristics and job requirements to the end that the individual may fit the job. Such a process requires for its efficient operation: (1) the discovery of definitive job requirements for each position

(the task of job analysis) and (2) the recognition and measurement correlating human characteristics (the particular function of those who are engaged in selection). It is the task of selection to consider all these and many other subordinate features that have particular significance for the job to be performed. Under these circumstances, it is not surprising that the selective function in industry is one of the most interesting and at the same time one of the most difficult obligations of modern management.²⁸ If care is used in the selection process, there are likely to be fewer instances where employees must later be performing efficiently, they as well as the company benefit financially as a result of turning out a better quality of products at a lower operating cost.

b. Sources of Labor

Every organization which is to be a sound one must give full attention to the importance of the workers that are to become a part of the organization. A business firm may have the most modern working equipment, the finest office plant, the best operating building and still can fail badly if there are not well-trained, intelligent and loyal laborers. So, the employment of workers requires attention to the sources of labor in order that the number of qualified applicants may be adequate.

The sources of labor vary with the supply and demand of job applicants as well as with the business, the industry and the particular area where the company is located, every business must decide for itself which sources are the best for its specific line of activity. Companies may find it unnecessary to recruit employees for hourly rated positions since they exist in great supply. Conversely, the same companies may be

²⁸ Dale Yoder, op. cit., pp. 184-185.

recruiting aggressively for employees to be placed in special training programs such as apprentice training and institute cooperative training.

Persons who are employed should be followed up in order to determine the number hired, and the cost per applicant from each source used by the firm. All this information will give the Personnel Department the speed and accuracy needed when a business is in need of hiring new people.

The sources of manpower from which labor may be obtained to fill job vacancies may be classified as Internal and External. Both sources have unique advantages and disadvantages.

Internal Sources²⁹ - These sources are utilized in case of promotions, transfer or recall of those who have been laid off. As a matter of fact the present working force is the most immediate, convenient and in some cases the best source of recruits for vacancies. Most companies try, if there are employees with the necessary qualifications, to fill openings with them before they take in candidates from outside. Vacancies may also be filled by the employment of former workers of the company. Such is the case of those who held temporary seasonal jobs or they may have left the company for an acceptable reason. In most cases less risk is taken in employing people whose records are well known by employers than employing new people whose records are not known within the company.

Herbert J. Chruden and Arthur W. Sherman, Jr., point out some of the advantages and disadvantages in using internal sources to supply

²⁹Gordon S. Watkins and Paul A. Dood, The Management of Labor Relations (New York: The McGraw-Hill Company, Inc., 1938), p. 149.

employees as follows:

Advantages of Internal Sources

1. If there are reductions in the work force pending in any of the departments, this policy can help to prevent employee layoffs.
2. The use of internal sources can be beneficial to employee morale, particularly when a vacancy permits a promotion to be granted.
3. A company generally is better acquainted with the strengths and weaknesses of its own employees than it is of those applicants from the outside. (Unfortunately, this fact sometimes can cause outside applicants to appear better by comparison than actually is the case).
4. Since a company has a certain training investment in its employees, it is to the company's advantage to try to gain the best possible return from this investment by utilizing the services of its personnel in the highest positions possible.³⁰

The disadvantages of internal sources according to the same authors are:

1. In some instances, qualified replacements may not be available within the company to fill certain vacancies.
2. The hiring of certain experienced personnel from other companies is sometimes desirable in order to gain new technical information or industrial "Know-how". Outsiders also may bring new ideas and enthusiasm into the company, and help to revitalize it.
3. The excessive use of internal sources can shelter employees from the competition of outside applicants who may have superior qualifications. If employees must compete only with their co-workers in gaining advancement, the quality of the company performance may suffer in the process.³¹

External Sources - Since many sources of employees are available outside the company, whenever personnel are to be hired from the outside, the first step is one of selecting the best source from which

³⁰Herberth J. Chruden and Arthur W. Sherman, Jr., Personnel Management (Cincinnati: Southwestern Publishing Co., 1959), p. 83.

³¹Chruden and Sherman, op. cit., p. 83.

applicants are to be recruited. To accomplish that properly, some factors such as requirements of the particular job, the conditions of the labor market and the degree to which various sources have been cultivated must be considered in selecting the right source.

Following is listed a series of outside sources from which applicants may be obtained:

Write-in and Walk-in Candidates

Most companies continually receive these kinds of unsolicited applications for employment from individuals representing a wide range of qualifications and abilities. It is a good recruitment source for wage and, in some instances, salary people to fill current openings that are available.

Employment Agencies (local and national)

By listing current openings with agencies, companies might increase opportunities to have a larger number of applicants. Employment agencies may supply applicants representing a variety of occupational areas or they may limit their applicants to those for technical, professional or domestic jobs.

There are two kinds of employment agencies: Public Employment Agencies and Private Employment Agencies. "The Public Employment Agencies are offices operated by the state in which they are located and also they are subject to certain general control by the U.S.E.S. (United States Employment Service) because funds for state unemployment insurance come from federal tax refunds.³² The Private Employment Agencies are institu-

³²Chruden and Sherman, op. cit., p. 85.

tions which receive their revenue from the fees charged to applicants. In some instances they charge fees to the employer rather than to the applicant. In return, the agencies give many recruitment and selection services for the employer - often more effectively than he could perform them himself.

Local and National Personnel Advertisements

Applicants who are both actively and inactively seeking new employment contact companies for consideration on openings advertised. The want ad is probably the most common form of recruitment but unless handled properly, this is the most costly form, also. Newspaper recruitment advertising must be creative, it must appeal to the prospect's imagination, it must offer him something different in a different way. Therefore, it is not advisable to buy "newspaper deals", that is, those arrangements with newspapers to run the same ad for five or seven days in order to slightly reduce the cost per insertion. These "newspaper deals" have proved not to be an effective way of attracting good candidates, perhaps for the little interest that the same ad produces on people. Experience has proved that Sunday editions of newspapers are, by far, the most productive. If in some unusual circumstance, it is necessary to advertise during the week, advertisements should be limited to one day and be a different ad than the one which appeared in the Sunday edition.

The big point of this discussion is: personnel employment must think creatively about recruitment, that is, about the many places and the many ways to attract people. If this idea is accepted the Personnel Manager will find himself reaching out and placing his hands on more and

more people, thus enhancing his chances of finding the right person for the job.³³

College Recruitment Program

This source is a very excellent one for college trained manpower with future management potential. The growing demand for candidates with scientific and technical education has prompted many companies to engage in more vigorous recruitment of high school, trade school, and college graduates.³⁴

The record of leading universities indicates that each year hundreds of business organizations undertake for the first time a program of hiring on the campus. Many personnel men, given the responsibility of setting up a college recruitment program, get their principal professional advice from the counsel of colleagues with similar responsibilities and, perhaps, from the college placement director. Some join their local placement office. Too often they try to "play it by ear".³⁵ But mostly everyone agrees that though difficult and time consuming, college recruitment requires the best preparation and guideposts for better results. If "70 per cent of the jobs paying over \$5,000.00 a year are held by college graduates" it is safe to say that college educated personnel counts heavily in industry. "Particularly it is the trainees on whom the organization lavishes from six to twenty-four months of expensive train-

³³ Richard N. Owens, Management of Industrial Enterprises (Homewood: Richard D. Irving, Inc., 1957), pp. 452-453.

³⁴ Chruden and Sherman, op. cit., p. 88.

³⁵ Wallace Janie, A Model Program for Corporate Recruitment of Collegial Personnel, first issue of the serialized presentation of a study of the broad field of recruitment by the Western College Placement Association, (Bethlehem: no date), p. 1.

ing whose performance foreshadows profit or loss for the future.³⁶

One of the limitations of the college recruitment as a source of labor is that applicants tend to be inexperienced and thus are qualified just for trainee positions. However, colleges are keeping files of those alumni who are interested in changing employment, and as a result are becoming a source of experienced as well as trainee personnel.

Labor Unions

Labor Unions constitute a fine source of supply especially when in need for certain kinds of candidates. Unions are able to supply personnel either because they control the supply of a particular type of manpower or because they have contracted with employers to have employment preference given to union members. In some circumstances it is necessary to check carefully this source of labor. In some industries only applicants who are union members can be considered for employment.

Professional Personnel Consultant Firms

These professional personnel consultant firms provide an excellent service to utilize in filling top management positions. The growing need for persons with managerial experience and ability has caused some consulting firms to specialize in the recruitment of executive personnel.

Firms that specialized in executive recruitment attempt to locate, by means of personnel inquiries, contacts and, by selective advertising, qualified executive prospects who are interested in changing their employment and improving their salaries.³⁷

³⁶"Wanted, Young Men for Top-Salary Jobs", American Magazine (June 1954), 15.

³⁷Harley Iams, "How to attract and select Creative People", The Management Review, Vol. 47 (December 1958), 4-9.

Referrals and Convention Recruitment³⁸

Harley Iams of the Hughes Aircraft Company wrote about this source of supply: "The employees of your own company can sometimes assist in the recruiting; they may have friends or relatives who would become valuable employees. But one must be aware that, in their enthusiasm, it is easy for friends or relatives of a prospective employee to overestimate his potentialities.

Conventions of professional societies are sources of considerable recruiting activity. Whether this would be an ideal situation is difficult to say, but many companies do find worthwhile employees in this way.³⁹

c. General Procedure⁴⁰

When in need for a worker the immediate chief of the department lacking the employee sends a requisition directly to the Personnel Department. This immediate chief may be the foreman or the supervisor. Upon receiving the requisition the personnel department checks the job descriptions and job specifications that it has on file for the various jobs. The next step is to check if there are any employees within the organization who qualify and who should be considered for the position. If the job cannot be filled by a present employee or an applicant previously interviewed, it may be necessary to recruit new candidates from

³⁸Watkins and Dood, op. cit., p. 150.

³⁹Harley Iams, op. cit., p. 6.

⁴⁰Richard N. Owens, op. cit., pp. 454-465.

outside. The number of steps of the procedure for employment depends upon:

- a. the kind and level of job to be filled
- b. the company soliciting applicants
- c. the cost of each step
- d. the people accomplishing the selection

Some companies emphasize the use of tests and several interviews more than others. Procedures for filling two different openings would necessarily be different.

Since there is not a method of selection accepted as the best, a combination of methods may be the more appropriate way to follow in this case. Each company will eliminate or add to this pattern, the procedures they consider necessary for their specific needs.⁴¹

1. Screening Interview
2. Application Blank
3. Employment Tests
4. Comprehensive Interview
5. Personal Investigation
6. Recommendations
7. Physical Examination
8. Induction and Placement

Screening Interview⁴² - The first step with every applicant is the screening interview in which to determine whether or not the applicant

⁴¹Chruden and Sherman, op. cit., pp. 96-101.

⁴²Frank M. Kleiler, "How to Streamline the job Performance Interview", Supervision, Vol. 23 (August, 1961), 16-17.

is an obvious misfit. If he is, he should be pleasantly and courteously dismissed immediately. Generally speaking, these interviews amount to nothing more than a brief conversation during which the manager gets acquainted with the applicant, gives him a clear explanation of the job that is available and through observations and a few questions, arrive at a decision as to whether or not the applicant has possibilities.

The point to emphasize about screening interview is this never eliminates an applicant if there is any possibility that he might have the necessary qualifications for the job.⁴³

Application Blank - Every prospect is to fill out an application blank designed to identify and make possible any further communication with him. This application blank should provide enough basic information as well as historical data in order to fit the candidate in his best position. This information includes:

Personal Data: name, present address, permanent address, sex, height, weight, color hair, color eyes, date of birth, age, marital status, citizenship, home ownership, condition of health, physical defects, life insurance, parent address and hobbies or outside interests.

Position Sought: department in which position is sought, specific position sought, salary expected, when can start working, availability for traveling.

Education: highest grade completed, major studies, name of college or university, degree, other education or studies, foreign languages knowledge.

⁴³Robert N. McMurry, Tested Techniques of Personnel Selection, (Chicago: The Dartnell Corporation, 1955), p. 18, Section II.

Experience: names and addresses of former employees, kind of work, salary, date started, date left, reason for leaving.

Military Service: branch of service, date of entry, date of discharge, kind of discharge, highest rank of rating.

References: names, addresses, telephones.

Certification: signature.

Employment Tests⁴⁴ - To make the most accurate decisions in selecting applicants, it has been found that more is needed than the usual basic information furnished on the application form.

The use of tests can result in increased efficiency, improved morale, reduced turnover and fewer grievances and accidents when scrutinized properly and well tailored to the organization. Tests have proved to be admirably suited to measuring elusive qualifications such as proficiency, skill, mental ability and general aptitudes. On the other side, they are less valuable in predicting dependability, pace of work and energy that the applicant must have to accomplish adequately the job.

Robert N. McMurry has listed five kinds of tests and their uses in his book "Tested Techniques of Personnel Selection", as follows:

1. Measures of mental ability, alertness, or intelligence: Each job has an optimum range of intelligence require for success in it. Mental ability tests, provide a quick, efficient measure of whether an individual is bright enough or too bright, to perform the job well. Executives, supervisors, research workers, creative thinkers - advertising copywriters, accountants and persons dealing with intangibles - need a higher level of mental ability than do persons performing routine jobs.

⁴⁴Richard P. Calhoun, Problems in Personnel Administration (New York: Harper & Brothers, 1949), pp. 126-137.

2. Measures of proficiencies, skills and job information: These tests measure the level of skills which a person has already acquired in such techniques as stenography, typing, calculating, as well as his knowledge of such trades as carpentry and bricklaying. Measures of proficiency, such as tests of typing and stenography, are performance tests. They require the applicant to demonstrate his competence on an actual work sample.

3. Measures of Aptitude: These tests measure inherent and unlearned knacks or predisposition toward various types of activities as, for example, mechanical or clerical aptitudes. Some measure single qualities - such as finger dexterity - which can be useful on many different jobs. Aptitude tests do not indicate the degree to which a subject is presently skilled in a specific type of work. They are often helpful, however, in determining how skillful he can become with training.

4. Measures of vocational interest: These tests are designed to aid the subject in finding a vocation in which the applicant will be interested and which he will find to be temperamentally congenial. For employment purposes, these tests have been found to have less value. This is because interest in a field of activity does not necessarily guarantee competence in it. Because of these limitations, this type of test is not thought to have particular value in selection work.

5. Measures of personality or temperament: Tests in these classifications are designed either to measure specific personality qualities such as introversion - extraversion or dominance - submission, to serve as aids in the evaluation of the subject's total personality structure, or to help in the diagnosis of existing emotional maladjustment and mental illness Experience has shown that these projective measures can be very helpful in determining the individual's basic personality structure and motivations, as well as in predicting how he will react to the stresses and pressures he will encounter if employed.⁴⁵

Comprehensive Interview⁴⁶ - It is in this fourth step that the interviewer must make his tentative decision about the applicant. The decision will be based on the information available from the tests and

⁴⁵Robert N. McMurtry, op. cit., pp. 1-5.

⁴⁶Milton M. Mandell, The Employment Interview (New York: American Management Association, 1961), pp. 19-37.

the application form and on what the interviewer can learn through conversation about the applicant's basic character or habits, his motivation and his emotional maturity.

Walter Van Dike Bingham and Bruce Victor Moore wrote about the purpose of the interview, "

In general, the interview should only be used by persons trained to use it and in situations for which it is adapted. These situations are numerous, and they can all be identified if one keeps in mind that the interview is a unique method for permitting and encouraging the interaction between the participants. Where such interaction is important, the interview will be, in almost every instance, the chosen method.⁴⁷

Personal Investigation⁴⁸ - In this step of the selection procedure the man in charge with selecting the new employee gains support for the tentative decision reached in the above step, or will develop more information to change his original decision.

The investigation is used to verify statements made on the application blank and during the interviews. It cannot be denied that all applicants give everything the most favorable slant. Some even cover up, and a few falsify. Therefore, the major claims made by the applicant, and all the incongruities uncovered during the comprehensive interview with him, must be checked with outside sources not with personal references and not through correspondence. Rather the Personnel Manager should check sources that the applicant cannot control and he must do it in person or by telephone.

⁴⁷Walter V. D. Bingham, Bruce V. Moore, How to Interview (New York: Harper & Brothers, 1931-1959), p. 271.

⁴⁸Lawrence, Lipsett, "The Personal Investigation in Selection of Employees", Personnel Administration, vol. 9, No. 1 (1946), 23-29.

Since this stage of the procedure is very important it calls for a carefully and precise use. The type of questions asked here must be well worded and if possible, prepared by a trained investigator.

Recommendations⁴⁹ - Reference letters are widely used but in most cases discounted. The value of a letter of recommendation could be increased by giving the reasons for asking it. Therefore, the value is limited unless the recommender knows what qualifications are important for the position and can judge the kind of person who will succeed in it. Usually the best sources of information about an applicant, says Robert N. McMurry, are, "his previous employers".⁵⁰ Former employers should know the prospects well enough to give an excellent general concept about them. But there should be an awareness of the fact that past employers can be of the "complimentary" type and of course, they wish to be helpful and for that reason may overlook certain important details. Others, on the other hand, may be "grouchy" and are irritated because the applicant left their employ and their statement may be affected by it. If reports are directed toward the same direction and characteristics of the applicant, it is reasonable to predict an accurate judgement.

Physical Examination - The physical examination is given before final selection is made because it may be one of the most costly steps and therefore should not be undertaken unless the candidate has qualified with the preceding steps.

⁴⁹Robert W. Adams, "A Letter of Recommendation", Factory Management and Maintenance, vol. 112, No. 4 (April 1954), 228-236.

⁵⁰Robert N. McMurry, op. cit., p. 6.

In some instances, certain parts of the physical examination may be given early in one of the above steps. Such is the case of certain jobs in which specific good visual and auditory conditions are required.

Among the more obvious reasons to give a physical examination are:

- a. to pick up possible absentee problems
- b. to be sure that the accepted applicant is physically able to do the work he is hired to do
- c. to ascertain if there is any prior injury or sickness that could in any way affect his employment in the organization
- d. to protect company liability and insure physical capability
- e. to protect current employees and see if the applicant is eligible for benefits program
- f. to decrease the compensation count
- g. to determine whether the person is a poor risk with respect to sick leave and whether there are any injuries or physical disabilities which may later be related to a possible industrial accident.
- h. to avoid further disability and its consequential effects on the individual, company efficiency, and group insurance liability
- i. to avoid placing an individual (physically) in the wrong position

Induction and Placement - Placement is the last step of the selection procedure and it takes place when the applicant has passed all the foregoing stages and is assigned to the vacancy. Here, the orientation or induction and training begin.⁵¹ A prerequisite to successful induction

⁵¹Richard P. Calhoon, op. cit., pp. 139-144.

is a carefully designed hiring procedure. A sound hiring procedure makes a profitable contribution to the orientation program regardless of the labor market. It aids the selection in two ways:

1. It increases the number of applicants.
2. It improves the quality of applicants.

Besides the three major aspects of induction - "information, hospitality and genuine interest,"⁵² it is also necessary to take into account other important purposes of a proper induction such as:

1. to win the confidence of each new employee
2. to make the new employee familiar with his job assignment
3. to make the new employee want to continue working with the

company by making him feel that there is a genuine interest in him as an individual

4. reduction of accidents by proper safety and operating instructions - good orientation develops proper and safe work habits from the start and helps to remove the mental and emotional barriers to adequate job learning

5. building company loyalty and the feeling of pride in being a part of the substantial organization

6. to provide a sound basis for effective management appraisal of the employee and his performance during his probatory period.

Finally, it also should be said that all experiments with induction programs indicate the value of careful introduction, thorough orientation and detailed explanations of the rules. The best known methods to

⁵²Ibid.

accomplish these ends are: lectures, visual aids, employee handbooks and the like.

d. Conclusions

What is considered here as Sound Practices of Personnel Selection fall close to the actual practices of American business firms. There is no doubt about the high efficiency of American business firms and no doubt as to why they are considered the first in the world. So it should be said that one of the explanations of the level of industrialization, economic growth and high development of the United States' private enterprises is their well accepted and better used personnel hiring practices and human relation policies. If an individual is well placed and rightly fitted into his job, motivation and improvement will be his most important tools at work.

So if the objective of the firm is to employ its productive resources in the best way possible, that is, efficiently, to have the right man in the right job is of vital importance.

In applying these principles of selection of personnel it is worthy to consider some important points.

As a matter of fact, what is here called sound practices of personnel selection may be changed somewhat in other countries due to the conditions surrounding qualified candidates, sources of labor, personnel department organizations and qualified interviewers. For instance, what is advised advantages for United States companies may not be the most

suitable in Colombia's enterprises. Countries have differences pertaining to which should be taken into account. Therefore, good personnel selection practices have been considered but if these practices are to be applied anywhere, special conditions and different circumstances must be considered.

The following chapters will deal with personnel practices in Colombia. An analysis and explanations of them will be given also. And in the last chapter the key suggestions for improvement will be weighted according to specific conditions existing in underdeveloped areas such as Colombia or any other South American Country.

CHAPTER III

Policies of Colombian Business Firms Pertaining to Personnel Selection

- a. Common Practices
- b. Possible Reasons Explaining these policies

a. Common Practices

The personnel employment policies of private firms in Colombia vary in a number of aspects and it is difficult to find common practices followed by most entrepreneurs. Companies have an individualistic way of fulfilling personnel requirements. These systems sometimes are based on the specific needs of each company but in other cases there are not logical reasons behind the practices followed. Entrepreneurs often complain about high turnover of employees and high costs of production.

The basis of this research was a questionnaire designed to draw out detailed answers on company practices in personnel selection which was completed by twenty-five respondents. The answers to personal letters from the author to managers and industrial relations directors provided additional material. Finally, some written material published by associations of personnel technicians and associations of industrial psychology actually operating in Colombia.

The respondents to the questionnaire serve as representative of typical Colombian business firms since they have been operating for a number of years and employ a large number of people. They operate in specialized and nonspecialized fields in which they employ all kinds of workers from unskilled to technicians. The conclusions that might be drawn from the study of these firms may indicate what has been done and what is practiced at the present concerning personnel selection practices in Colombia.

The information received from Colombian firms indicates that most companies do not have a personnel department with a definitive hiring system. A number of companies did not answer the questionnaires about

their personnel policies because of lack of organization of their respective personnel offices.

Companies with good management and sound personnel programs are few and total about 10 per cent of the firms contacted. These firms seem to have either college graduates or experienced self-taught executives in their principal managerial positions. They also show a very acceptable organization of personnel in the lower and in the top places of management. These companies are both domestic and foreign operated. Domestic companies are managed by a small group of businessmen with college education or technical training in different business fields. The economist consultants Fayad-Jimenez, firm operating in Armenia, Caldas, state about the management of enterprises and the executives in Colombia,

In Colombia there are three kinds of companies: small - employing from 1 to 100 workers, medium - employing from 100 to 300 workers, and big - employing 300 or more. The big companies usually have a department of personnel directed by qualified personnel specialists but sometimes these firms turn their personnel activities over to outsiders to test and evaluate their candidates. The percentage of big companies in Colombia counts for about 5 per cent of the total enterprises. 53

Foreign operated companies are managed both by individuals from the foreign country where the firm's home office is located and by Colombians in the proportion of eight to one for executive level and nine to one for unskilled workers. This means that according to Colombian labor law, aliens operating companies in Colombian territory have to hire eight Colombians for each foreigner to work at directive jobs or hire nine

53 From the answers to the questionnaire given by Fayad-Jimenez economist consultant of Armenia, Caldas, Colombia, March 1963.

Colombians for each alien working at low offices.⁵⁴ The law provides for exceptions in those considered special by presenting probatory documents. See Appendix C of this thesis.

The regulation of Colombian government about hiring foreign personnel affects the technical capacity of nonnational companies and consequently their efficiency of production. Marco Andrade, personnel director of Shell Colombia S.A. a subsidiary of Royal Shell Petroleum Co. points out three factors which cause his company to operate at a lower rate of efficiency than the main company. He writes, "(1) The lack of qualified personnel, (2) Difficulties in the importation of machinery, and (3) Other reasons such as low level of wages, uncooperation of workers, strikes, etc."⁵⁵

Another result of the limitations of personnel hiring is the one revealed by Alan M. Ferguson of American Pipe and Construction International operating in Bogota, "In actuality our overseas operations are so limited that we do not have any standard procedure other than personal interview with prospective applicants."⁵⁶

Now let us take a look at the personnel policies of Colombian business firms.

⁵⁴Ministerio del Trabajo, Codigo Sustantivo del Trabajo. Titulo Primero, Capitulo IX (Bogota: Imprenta Nacional, 1951)

⁵⁵From the answers of questionnaire given by Marco Andrade personnel director of Shell Colombia S.A. in Bogota, March 1963.

⁵⁶From a personal letter written by Alan M. Ferguson, manager of American Pipe & Construction Co. in Bogota, December 1963.

Sources of Labor - The most used sources and means to find laborers are:

- Universities and High Schools
- newspaper ads
- employment agencies
- friends

Recruitment at universities and high schools - This recruitment method is widely used by all kinds of business firms. Companies engage in a battle to attract young graduate students throughout the country. Several companies, Texaco among them, organize tours of their personnel executives through every university in the country to try to interest students in their firms. These tours are made every year at the end of the academic year. Of course, this program is quite expensive and not all companies are able to proceed with it.

Recruitment by newspaper ads - These ads are used when a specialized employee is needed. The same ad runs for weeks in different magazines and local papers. Sometimes, the advertisement "help wanted" runs for twelve months and longer until the editor of the paper visits the businessman to get another "annual contract" to keep publishing the same ad. This method is expensive but companies obtain tax deductions over money expended on advertisements of this nature. Jose M. Herrera of I.B.M., S.A. says about this recruitment method, "Everything related with publicity has a tax exemption by law, for instance, help wanted ads."⁵⁷ Also, Nestor Llano manager of Psicolaboral Ltda, firm which evaluate personnel tests, has the

⁵⁷ From the answers of the questionnaire given by Jose M. Herrera personnel director of I.B.M. Inc. of Colombia, March 1963.

same opinion for he states, "There is tax exemption for newspaper ads as well as operating expenditures or propaganda expenditures."⁵⁸ Another reason to use this type of recruitment is that it "is easy and it might attract the type of person required".

Recruitment by employment agencies - This system is rather new in Colombia. There are two kinds of employment agencies: public and private. The public ones have proved to be trustworthy and not as expensive as the private ones are. The public agencies charge a small amount to register the name of the prospect. The private agencies in many cases are more effective but it is risky to trust them completely.

The private agencies do not test candidates; they are too commercialized and have little or no responsibility and are not at all recommendable. They charge \$10, \$15 and more plus a half or third of the candidate's first wage in case of employment,⁵⁹ states Nestor Llano of the Psicolaboral Ltda of Bogota.

Recruitment by friends - Referrals through friends occupy a very special place in the recruitment programs of companies in Colombia. Managers seek employees among friends with the right characteristics and qualities for certain positions in their companies. They never advertise or go to universities but are on the watch to fill an opening where they need a very special person. In many instances recruitment through friends is looked upon as the main method.

Steps - The procedure of hiring people is rather short in Colombia since the lack of qualified interviewers and test evaluators limits the

⁵⁸ From the answers of the questionnaire given by Nestor Llano manager of Psicolaboral Ltda of Bogota a personnel consultant firms which specializes in tests, March 1963.

⁵⁹ Ibid.

completion of some steps in the process. Ernesto M. Amador, director of the Laboratorio psicometrico, an institution which deals with psychology applied to personnel hiring, writes about the number of interviewers working in Colombia,

I think that there is not enough technical personnel qualified to interview and that is one of the main weaknesses of the selection procedure. As proof, the instability of employees, the low productivity of workers chosen by our interviewers, and the unadaptability of the employees to their jobs, should be mentioned.⁶⁰

The information received from Colombian firms in response to the questionnaire on their personnel practices indicates a small per cent of specialization on the part of interviewers. Table 1 summarizes the information on specialization by personnel interviewers.

Table 1. Interviewers Specialization by occupational groups.

	<u>No. of Companies</u>	<u>Per Cent</u>
Total	25	100
Interviewers Specialize	2	8
Interviewers do not Specialize	20	80
No answer	3	12

The following steps of the selection procedure are practiced by 74 per cent of the respondents:

- screening interview
- personal investigation
- recommendations
- physical examination
- induction - placement

⁶⁰ From the answers of the questionnaire given by Dr. Ernesto M. Amador director of Laboratorio Psicometrico of Bogota and personnel consultant of more than fifty companies in Colombia, March 1963.

Two of the companies (8 per cent of the research) reporting indicated that they followed a more detailed procedure such as this:

- screening interview
- preliminary knowledge tests
- first intelligence tests
- second knowledge tests
- second intelligence tests
- references
- final interview

The quality of the labor force in Colombia leads to questions concerning efficiency of a detailed selection procedure. According to an annual report given by Psicolaboral Ltda in 1962, from a total of 1,619 job seekers in 32 companies applying the above procedure, 172 were chosen as employees.

The other type of selection procedure followed by 3 companies (12 per cent of the research) is as follows:

- physical examination
- recommendations
- application form
- interview

This procedure is called "Empirical Method".

The screening interview is made by the immediate supervisor or by the general manager of the company, sometimes by both executives. The personnel department is in charge of papers to sign, contracts, payrolls, and induction. Candidates are most likely to be rejected at the screening

interview or at the personal investigation.

The personal investigation follows the interview. It consists of contacting several people who might inform the company about the conduct and past record of the prospective employee. This step seems to be very important since individuals with high qualifications might be rejected because of unsatisfactory social behavior.

The recommendation sometimes plays a very definitive roll in hiring a person. In the early fifties, for instance, the recommendation was a prime requisite for employment. Now there is a tendency to overlook recommendations but it still is a common practice.

The physical examination is required of candidates by most of the firms. It is usually made at the end of the procedure when the candidate has been hired. This step is the most expensive of all but companies do not hesitate giving it since it may assure better results.

The placement involves the acquaintance of the new employee with his new job, job-partners, and the company in general and is the responsibility of the personnel department.

Information sought on the application form - The general information sought on the application form is somewhat the same for all companies. This information is mainly concerned with personal identification, education, experience, and position sought. Companies such as Trianon S.A. and International Petroleum Company are interested in knowing the ambitions of each applicant as to their future in the company in case of being accepted. Also employers are concerned with certain special personal information about applicants. Martin & Compania Ltda de Armenia

reports a good example as follows:

The special information sought on the application form is the following:

reasons for leaving last employment
moral qualities
activity, discipline, duration on last job
home conditions (economic, social)
union activities
skill and knowledge of work
character and personality
past job records⁶¹

These points are emphasized because of the careful consideration that must be given to new candidates. No company hires a man without previously knowing his past social behavior. Individuals are frequently engaged in "left-wing" politics whose main goal is to create disturbance within private organizations. John Loudon, president of the Royal Dutch Petroleum Co., in a recent speech noted this problem.

Undoubtedly the communist countries in order to accomplish their essentially imperialistic objectives direct their activities particularly against the private international companies. They know that the main obstacle they have is the success obtained by private companies.⁶²

Who does the interviewing? - The interviewing of candidates is done by the director of the personnel department or by the supervisor of

⁶¹ From the answers to the questionnaire given by Hose Hernandez personnel director of Martin & Compania Ltda of Armenia, March 1963.

⁶² John Loudon, Algunos Problemas de la Empresa Privada en un Mundo Dividido. From the printed form of the speech before the "Economic Club" of New York in March 6, 1962.

the section where the applicant is going to be placed. Also there are cases in which the president or some other high placed official interviews the applicant when he is to be placed in a high position. In Table No. 2 the answers pertaining to the question who does the interviewing.

Table 2. Executives involve in the interview.

	<u>No. of Companies</u>	<u>Per Cent</u>
Total	25	100
Interview done by personnel director	15	60
Interview done by supervisors	7	28
Interview done by Presidents	2	8
Interview done by others	1	4

Reliance upon interview - As said before, reliance lies heavily upon the interview. "In most cases the results of the interview count half of the total probabilities of hiring or rejecting a prospect,"⁶³ states the manager of industrial relations department of Icollantas, S.A. of Bogota. Despite this there are practically no organized sets of questions or patterned interview forms to be asked in hiring a new employee. Table 3 shows the use of patterned and unpatterned interview forms in Colombia.

Table 3. Use of patterned interview form.

	<u>No. of Companies</u>	<u>Per Cent</u>
Total	25	100
Use patterned interview form	1	4
Do not use patterned interview form	17	68
Use of both forms combined	7	28

⁶³From the answers to the questionnaire given by Dr. Clemente del Valle personnel director of Icollantas S.A. of Bogota, February 1963.

The statement of the director of personnel of the Ferrocarriles de Colombia should be mentioned here. He writes about the personnel selection in Colombia,

The selection of personnel is made without a systematic plan for two reasons: first - because there is no qualified personnel at all; second - because the selection process is not technically defined which unable our personnel directors to develop a technical plan to hire people with characteristics such as the ones of Colombian workers.⁶⁴

Reliance upon recommendations - The reliance on recommendations tends to be casual when the recommendations are coming from friends of the applicants. Executives in charge of the selection of people ask for recommendations mostly from former employers. However, to assure a greater knowledge about the applicant they require the names of three persons who are able to give accurate information concerning him. With few exceptions the use of the recommendation letters is rather extensive among firms. An example of companies which do not ask for recommendation letters of prospects is the Compania Colombiana de Seguros as its personnel director states,

The recommendations should not be as important as they are considered to be. They sometimes are considered first regardless of the technical capacity of the applicant. In my opinion the recommendations should be accepted but as secondary information.⁶⁵

Another example of this attitude toward recommendations is the one given by Jose M. Herrera of I.B.M., S.A., "The recommendations are

⁶⁴From the answer to the questionnaire given by Dr. Ernesto Gonzalez R. personnel director of Ferrocarriles de Colombia, January 1963.

⁶⁵From the answers to the questionnaire given by the personnel director of Compania Colombiana de Seguro of Bogota, February 1963.

not very important in this company because every candidate must be subjected to the same process of selection and if he does not qualify he will not be accepted even if he is recommended by our manager."⁶⁶

Tests - Most companies do not use tests of any kind but there are a few exceptions that may be found. They are:

personality

dexterity

motor

tools

The use of the tests is not very common perhaps because it is hard to find an evaluator of them. Table No. 4 will show the number of companies which actually use selection tests.

Table 4. Use of personnel selection tests by companies.

	<u>No. of Companies</u>	<u>Per Cent</u>
Total	25	100
Use of tests in the selection procedure	4	16
Do not use tests in the selection procedure	19	76
No answer	2	8

The use of tests is not accepted among Colombian entrepreneurs according to Dr. Clemente del Valle of Icollantas S.A., "because of their vulgarization. Applicants know the answers of the tests before even the examination. In this company, tests amount to 10 per cent of the final decision when hiring new personnel."⁶⁷

⁶⁶Jose M. Herrera, see footnote number 56.

⁶⁷Clemente del Valle, see footnote Number 63.

Also the personnel director of the *Empress Colombiana de Petroleos* says about the use of tests in his company: "We are not convinced of the efficacy of tests in the selection process."⁶⁸

Who makes the final decision? The final decision is made by the director of personnel when the prospective employee is one to be placed in a lower position. When the purpose is to fill a higher place in the company the decision is made directly by the president. There are some other executives involved in this decision when the organization of the company is one like *Ferrocarriles de Colombia* in which there are several divisions with respective chiefs of personnel for each. In cases like this, the final decision is jointly made by the chiefs of personnel of the divisions.

b. Possible Reasons Explaining These Policies.⁶⁹

The reasons for explaining why the private companies of Colombia use the above written policies are numerous and it is risky to attempt to point out one or two as being the principal ones. The following is a discussion of reasons which may be considered most acceptable and which affect or limit the ability of firms to employ people in a more technical way.

The deficit of professional and technical candidates should be mentioned first. There is a lack of college graduates with enough

⁶⁸ From a personal letter written by Dr. De Pombo personnel director of Ecopetrol in Bogota, November 1962.

⁶⁹ Paul R. Olson and C. Addison Hickman, *Pan American Economics* (New York: John Wiley & Sons, Inc., 1943), p. 174.

potential capabilities to occupy executive positions and managerial places. Actually the number of college graduates in Colombia is so small that it is practically impossible for companies to set up an organized college recruitment program. Most of the college graduates available for employment come from the biggest university which is in the capital of the country and they rarely spread throughout the country because they are hired mostly by firms located in the capital city. Private companies in most cases need the "cream of the crop" and with a limited supply of applicants, companies are unable to fulfill their needs successfully.

On the other hand, government employment counts heavily in the total openings every year. As a matter of fact, one out of ten persons holds or has held employment with the government.

The fact that companies have to be alert in hiring candidates with a good past record results in screening out a great deal of applicants. "Ideological reasons are a cause for companies to be more careful in selecting college applicants,"⁷⁰ states Alirio Arenas, operations director of Trianon & Co. Ltda of Armenia, after his factory experienced several stoppages promoted by college students.

Also from Augusto Morales, employee of Legislacion Economica a magazine published in Bogota, the following statement was obtained, "we take some precautions in hiring collegiate personnel because of the communist infiltration and left-wing ideas actually existing in

⁷⁰ From the answers of the questionnaire given by Alirio Arenas, operations director of Trianon & Co. Ltda. of Armenia, March 1963.

some universities."⁷¹

In Colombia as in most Latin American countries, the number of workers among those who are of the working age is cut down by several causes. Disease, dietary deficiencies, and intemperance make a fairly large proportion of them incapable of sustained activity.⁷²

Foreign and domestic companies operating in Colombia with special market conditions such as monopolies, subsidies, and the like, accept as employees people who are influential in governmental positions although they do not meet the necessary qualifications for being hired. Because of the fear of losing their privileged positions, employers attract people who have more political influence than skillfulness. This fact, which is very usual, and the overweighted use and abuse of the recommendation letter seem to be influential features.

"Applicants with recommendations from governmental officials are more likely to be accepted for enterprises as being a policy of public relations",⁷³ writes Dr. Jorge Garcia economist and government officer. The use of recommendations is often exploited by unscrupulous "recommendation sellers" which charge a certain amount of money to sign a letter recommending someone whom they have never seen. Companies do not investigate in detail when the prospect asking for a job has been recommended for a high public official, perhaps because of the paternalism involved

⁷¹From the answers to questionnaire given by Augusto Morales, employee of the technical magazine *Legislacion Economica* published in Bogota, March 1963.

⁷²William Benton, *The Voice of Latin America*, (New York: Harper Brothers, 1961) 204.

⁷³From a personal letter from Dr. Jorge Garcia, economist and employee of National University, February 1963.

in case like this.

"Company executives sometimes accept personnel for positions on a basis of friendship among them regardless of the qualifications of the candidates. This case is very usual in bigger companies where inefficient workers can more easily hide their mediocrity."⁷⁴

Limitations in the sources of labor is another factor restricting executives to find better candidates. George Wythe, in his book Industry in Latin America points out this factor limiting the supply of laborers in Colombia in the following terms:

Industrial workers have been drawn from two principal sources, the rural areas and the immigrant and floating population of the cities. During the last half-century workers in considerable number left the farms and the rural communities, attracted by higher pay and better opportunities. A steady inflow of immigrants also fed the cities. Labor for industry was fairly plentiful. Recently, however, a comparative shortage has appeared here and there. Immigration has declined, and the demands of expanded manufacturing activities and diversified agriculture have increased. In some sections competition for the available labor has become keen.⁷⁵

Educational institutions, advertisement ads, and referrals by friends are the main sources of labor. Rarely are employment agencies utilized. The following table confirms this statement.

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Dr. Ernesto M. Amador, see footnote number 60.

⁷⁵

George Wythe, Industry in Latin America, (New York: Columbia University Press, 1949), pp. 387.

Table 5. Means of employee recruiting used by companies.

	<u>No. of Companies</u>	<u>Per Cent</u>
Total	25	100
Use of educational institutions, advertisement ads, and referrals by friends	23	92
Use of employment agencies	1	4
Other means	1	4

Universities in Colombia do not have all the specialized fields in technical studies and training required to supply the personnel necessary for a modern industry. Electrical engineers, highway and bridge engineers, water and natural resources engineers, geologists, industrial engineers, business managers, economists, among others, exist in short supply and some of them do not exist at all. This is a factor affecting foreign industries operating in Colombia especially as they have to follow regulations in employing nationals and foreigners. Colombia government regulates the number and percentage of foreign and national personnel working for business firms in the following way: "For companies employing more than ten persons, at least 80 per cent of the specialists or managers and at least 90 per cent of the laborers must be Colombian."⁷⁶ The minister of labor may lower these percentages where Colombians are not available for special tasks but in such cases the relief afforded is only for such time as is needed to train Colombian substitutes.

Untrained interviewers is another weakness shown by Colombian

⁷⁶ Ministerio del trabajo, op. cit., Art. 74.

companies. Most of the managers use the "unpatterned interview" which in most cases do not accomplish the purpose of a well directed inter-communication between employer and employee. Managers are not trained for interviewing, generally, and they heavily trust on their own job experience. "The lack of qualified interviewers is undoubtedly a weakness of our selection procedure in this country,"⁷⁷ states Marco Andrade personnel director of Shell Colombia S.A.

Competitive advantages which some companies enjoy because of patent rights, location, special market conditions or by virtue of having gained leadership over competitors, often cause companies to practice inefficient personnel policies.⁷⁸

Likewise, there are some companies which have been managed so that they may escape union organizations or governmental regulations in order to save money by not having the minimum requirements of personnel administration.⁷⁹

The above reasons explaining why most Colombian companies are still using obsolete methods of management and antiquated practices of personnel relations are given as a matter involving the typical case of an average enterprise engaged in commercial business.

Tentatively it is safe to say that 60 per cent of private business firms are operating under out-of-date and inefficient policies. The inefficiency of doing business still exists in those companies which are

⁷⁷Marco Andrade, see footnote number 55.

⁷⁸Chruden and Sherman, op. cit., p. 31.

⁷⁹Ibid.

less financially capable of improving productive systems, modernizing equipment, hiring skillful workers, and training executives.

Since 1955 the government has improved its steps in promoting a quicker and more technical industrialization of the country. Agreements with other governments have been signed in order to attract foreign investments. For instance, in November 1955, the United States and Colombia signed an agreement concerning the Investment Guaranty Program. Under this program the International Cooperation Administration (I.C.A.), a U. S. government agency, was authorized to guarantee the exchange convertibility of investments in Colombia.⁸⁰ As a consequence, in 1957 the direct investments of the U. S. in Colombia totaled 297 million dollars which figures very high if compared with any previous year.⁸¹

All these features and the ones which may come into existence as time goes by are the hopes of changing the private business firm's picture towards a realistic and better situation. The more companies doing business in Colombia the greater the competition thus each company will produce at a higher rate of efficiency.

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U. S. Department of Commerce, Establishing a Business in Colombia (World Trade Information Service, Washington: U. S. Government Printing Office, 1958).

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For incentives to investments in other Latin American countries see William Benton, op. cit., p. 159.

CHAPTER IV

Evaluation of Personnel Practices as Found in Colombia

- a. Analysis of the different systems
- b. Conclusions

a. Analysis of the different systems

The actual systems of selecting people by business firms in Colombia will be analyzed according to the pattern as given in the second chapter entitled "Sound Personnel Selection Practices" of this thesis. A look both at the pattern of personnel practices outlined in Chapter II and the practices of Colombian companies shows that there is a big difference between them. In this chapter, number four, an analysis of the differences is the purpose of our present chapter.

First of all it is observed that businessmen in Colombia complain about high costs of production and high employee turnover. The employee turnover was mentioned in Chapter No. I as a consequence of poor selection technique when it was said that the parent of turnover was poor selection. To place a person into a job by guesswork without a test to prove his mental capacities or without having any basic knowledge concerning his willingness to work and ability for getting along with others, dismissal may be inevitable. If this happens to a number of employees the costs of the companies may increase considerably in the long-run. Among the 75 American companies, responding to our questionnaire, not one seemed to be greatly affected by employee turnover. As a matter of fact, all of the companies by means of a careful choice of applicants achieved a high level of employee stability. The American Can Company, for instance, follows a very simple but effective way to assure good candidates. By means of clear statements of job requirements, thinking and planning ahead, by giving a previous notice of

employee needs, and by interviewing and testing, this company has practically eliminated its employee turnover.

There is no proof that Colombian business firms are using their personnel departments for the purpose of developing programs and activities to inform employees about company policies. "Personnel departments seldom publish written pamphlets or bulletins informing the employees about their operations or news that may interest all of them",⁸² writes Nelson Arias manager of Industrias Nacar Ltda of Bogota. This lack of communication causes disinterest, ignorance, and little concern about the company on the part of the wage employee; these are barriers to a good understanding between management and employees. None of the Colombian respondents reported the use of written information containing outlines of their policies and aims toward employees. Instead, one out of three American firms sent pamphlets, manuals, magazines and different publications about their personnel policies in reply to our questionnaire.

The needs for new employees are not often foreseen by most Colombian entrepreneurs. The personnel departments do not know their exact needs far enough in advance to properly find new employees. The results of this are greater production delays and more need for overtime to meet schedules. In the United States, companies such as Westinghouse Electric Corp., Aluminum Corp., Canco., and others, the department in need of an employee gives a minimum of 36 hours notice to the personnel department.

⁸²From a personal letter written by Nelson Arias manager of Industrias Nacar Ltda of Bogota, November 1962.

Sources of Labor - The sources of labor are limited and the opportunities to find better personnel are few. Many Colombian companies do a poor job of recruitment, thus when they need a new employee instead of thinking about the many ways they might attract the type of person required, they simply place a newspaper ad. "Good recruiting requires creative thinking and planning; it requires the tapping of every conceivable source of the type needed and the use of every proper means for attracting candidates,"⁸³ is the opinion of James F. Helms of American Investment Co. of Illinois which represents the concept of a great number of enterprises in the United States.

Universities and high schools do not offer facilities to carry out a good college recruiting program. The effectiveness of a company embarked upon a program of college recruitment would be enhanced if it were aware of the nature of the on-campus facilities to implement the program. The records of leading universities in the United States indicate that each year hundreds of business organizations undertake a program of hiring on campus in order to satisfy their need for college trained personnel.⁸⁴ It is necessary that the larger educational institutions maintain student placement services, the objective of which is to facilitate employment of graduates. At some of the small colleges supervision of this function may be only a part-time activity of the Dean, assistant Dean of college, or someone of similar responsibility.

⁸³From James F. Helms personnel director of American Investment Co. See footnote 22.

⁸⁴See Wallace Jamie, op. cit., p. 1.

For recruitment through employment agencies it should be said that they cannot be expected to make referrals unless they are regularly contacted and are given ideas and material to assist them in their efforts.

Using friends of present employees is one of the most valuable sources for obtaining new workers when used adequately. Every effort should be made to cultivate a feeling of responsibility in this matter so as to reduce to a minimum the danger of suggesting unsuitable workers. It should be made unmistakably clear that each applicant, recommended by a present employee or an outsider, will be subjected to the same thorough interview and impartial scrutiny of the employment office as are given to workers recruited through other channels. With these precautions there will be little reason to fear that executives and employees will try to hire undesirable and incompetent relatives or friends.

Procedure - The replies to the questionnaires suggest that Colombian officials have long failed to supervise their interviewers adequately. These executives know that many outstanding people have been turned away or lost to other companies because of ineptness in the interviewers. "Too much talk and not enough listening, snap judgments, and poor interviewing techniques are the most frequent sources of interviewers mistakes,"⁸⁵ according to Dr. Ernesto Amador personnel consultant of a number of Colombian companies. Also, he states that "No more than 5 per cent of the companies use the patterned interview and no more than

⁸⁵From Dr. Ernesto Amador director of Laboratorio Psicometrico.
See footnote No. 60.

2 per cent have training programs for interviewers."⁸⁶

Since the interview in Colombia is very important in the selection procedure, it seems clear to emphasize the need for a better interviewing system. The interviewer has one of the most complex of all jobs. He needs knowledge of psychology; he should have thorough and up-to-date knowledge of job requirements and those of his organization, in particular; and he must be able to relate these factors to the problem at hand and so project the behavior of the applicant. Because of the complexity of the interviewer's job and his importance in helping the company, Colombian business firms should seek the ways of improving the effectiveness of their own interviewers. Milton M. Mandell of the American Management Association in his research study The Employment Interview reports the following figures as to the number of specialize interviewers employed by 273 American companies.

	<u>No. of Companies</u>	<u>Per Cent</u>
Total	273	100
Interviewer Specialize	136	50
Interviewers do not specialize	4	1
No answer ⁸⁷	133	49

⁸⁶

From Dr. Ernesto Amador director of Laboratorio Psicométrico.
See footnote No. 60.

⁸⁷

Milton M. Mandell, op. cit., p. 41.

In Colombia the actual number of specialize interviewers working for the 25 firms respondents is:

	<u>No. of Companies</u>	<u>Per Cent</u>
Total	25	100
Interviewers specialize	2	8
Interviewers do not specialize	20	80
No Answer	3	12

Testing is not as important as it should be in the selective process. Many employers are doubtful about the results of tests and do not trust in what tests can do. Experience has conclusively shown that the best use of tests lies in measuring what an applicant can do. Moreover, since tests provide a useful measure of what an applicant can do, they logically should constitute the next step in the processing of applicants who meet the screening standards. In reply to our questionnaire, Arthur R. Dale, personnel manager of Massell Manufacturing Corp. of Pennsylvania, included a list of 220 American companies actually using the testing system given by Industrial Psychology of New York. In Colombia the companies using any kind of tests amount to 4 as shown in Table 4 of Chapter III.

To obtain better results from tests, companies have to face the decision as to which tests should be used for the different openings, and this requires an expert's advice. In no event should a company entrust this assignment to untrained employees, no matter how well-intentioned they may be. This is a highly technical field, and if good results are to be obtained, only skilled specialists should be employed.

Most application blanks contain a request for the names of references who can and will provide information about the character or performance of the applicant in positions previously occupied. The general purpose of such references is to provide a means whereby the facts ascertainable from the application blank, and perhaps a preliminary interview, may be checked and supplemented by communication with other persons who know the candidates.

Whether or not a request for references is to be included in the application form depends upon the use that is to be made of them. The letter of recommendation as requested by a number of Colombian companies does not give any valuable information since "the recommendation is understood as the praise of a person to introduce him to another without a true evaluation of his personal traits,"⁸⁸ states Marco Andrade of Shell Colombia S.A. The practice of recommending an employee highly to another company in order to get rid of him is not unusual. For this reason, in writing to references, specific questions should be asked. No matter how convincingly worded, letters of recommendation must be read for what they do not contain as well as for what they do contain.

The personnel director of Compania Colombiana de Seguros states about the weakness of the selection process he considers most predominant in Colombia, "In Colombia the most outstanding weakness is that the selection process is made mostly based on personal intrigue and paternalism regardless of the technical or professional capacity of

⁸⁸ Marco Andrade, see footnote Number 55.

the applicant."⁸⁹

In similar terms, the industrial relations manager of Empresa de Telecomunicaciones (Telecom) says about a common practice of hiring personnel for private companies, "The tendency to accept applicants who do not meet the minimum requirements for the job recommended by politicians or friends is one of the most frequent weaknesses in the selection process."⁹⁰

The physical examination is given before the placement of the new employee and it is practiced by companies' own medical departments or by private practitioners selected by the prospective employer. The examination is considered important for all personnel managers because it may show any diseases or physical defects that the applicant may have which companies will not cover in their health insurance for employees. In case the new employee already is affected by a disease he must sign at the labor office for resignation from coverages of the affecting disease.

The task of induction and placement of the newly hired is becoming increasingly important. Many business organizations have instituted a well-rounded induction program designed to introduce the new employee to the job and to his fellow workers and to help him fit into the organization. The induction function has been recognized as highly important in terms of employee success and satisfaction.

⁸⁹From the questionnaire asked of personnel director of Colseguros in Bogota, January 1963.

⁹⁰From the questionnaire asked of manager of Industrial Relations of Telecom in Bogota, January 1963.

However, it is necessary to make provisions for furnishing applicants and new employees with brief statements of labor policies and working conditions. The induction - placement program of management should bring to the new employee points such as, a feeling that he belongs to the organization, an awareness of his privileges and rights, a realization of his responsibilities, and an importance of his job. The consideration of these facts may help new employees recognize their values and to motivate themselves in the future.

The following are conclusions that may be obtained from the above analysis.

b. Conclusions

So far, the situation of Colombian private companies concerning personnel selection practices has been discussed. From the analysis of those practices, in which weaknesses and sound points have been stressed as they appear far from or close to the pattern of Sound Personnel Practices, several conclusions may be derived.

As has been said before, American business firms are efficient and their policies of personnel selection fall close to our model mentioned above. A tentative conclusion that may be drawn is that a proper selection of employees has a significant place in the efficiency of these companies. From this research it may be inferred that the methods of personnel administration used by American firms are superior to those used by Colombian firms whose practices fall far from our pattern.

Logically, the firms adopting better personnel policies will be more efficient and more profitable than those which do not. These firms are more profitable because their production costs are lower. Their costs are lower because of their high production per unit obtained from productive factors. Among these productive factors the human represents a significance source of benefits.

From the study of the private business firms of Colombia, the conclusion that the human factor represents a significant source of waste, seems to be clear. According to a recent study by Carlos H. Triana, "such waste varies from 400 to 500 Colombian pesos per worker"⁹¹ which represents a high cost for those companies. These costs are the result of the use of nontechnical methods of personnel selection when better ones can be instituted.

On the other hand, the personnel turnover leads to the increase of overhead outlays since management has to repeat the recruitment effort with the logical wastes of time and money. "There is a very close relationship between the standards of employee selection and the rate of personnel turnover,"⁹² writes the personnel manager of Burroughs Corporation, International Division, in his Manual to Distributors as a consequence of a research made in a foreign country.

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Carlos H. Triana "Procedimientos de Selecccion de Trabajadores de Plantas Industriales (Bogota: Servicio Nacional de Aprendizaje - Sena, 1962), p. 9 (Mimeographed).

92

From the Distributors' Manual of Burroughs Corporation - International Division, November 1962.

Also in the same report he says,

Turnover causes loss of business and loss of good will through poor representation of the distributor firm. Turnover lowers the morale of the rest of organization, including the good employees. This is particularly true if the hire and fire technique is employed. This especially is likely to be the feeling if the company has failed to take proper steps to insure the suitability of the applicant before employing him.⁹³

Colombian firms tend to lack communication with their recruiting sources. The maintenance of contact with recruiting sources to insure continuity of effort and interest is most important. When the help of people or organizations is sought in the recruiting problem there are some factors that should be considered, such as securing cooperation by emphasis on job opportunities, explaining job requirements and qualification standards, and maintaining contact to keep interest and support active. Informative literature concerning the firm and its products, as well as information regarding the positions available, should be discussed and left with each recruiting source. Case histories of successful men showing their progress and advancement in the business have often been used to a good advantage. This is particularly effective if some of the individuals described were actually referred by the recruiting source being contacted.

Recruiting sources have difficulty in referring qualified candidates to Colombian firms because qualification requirements are not thoroughly explained to them. By explaining the job description and job requirements better results should be expected from the sources.

⁹³Burroughs Corporation. See footnote No. 92.

The waste of human factor, the personnel turnover, the lack of communication of employer and the recruiting sources, and the deficient methods of interviewing and testing can be pointed out as the main weaknesses of personnel practices of Colombian firms and also as the main differences with the practice of American firms. Also, it should be said that because of these deficiencies there is an increase in the costs of production of Colombian firms. Perhaps because of the "hidden" nature of these expenditures managers tend to overlook the waste of time and money. A contemporary economist expressed the idea that "costs due to labor inefficiency are not so quickly seen as are the other costs."⁹⁴ The Northeastern Council for Latin American and Interamerican Studies of Philadelphia in its book, Development Programming and U. S. Investments, enumerates some factors delaying the economic growth of Latin American countries, some of which are concerned with private firms,

One of the weaknesses is found in the administrative and political framework within which private enterprise functions. A second obstacle to the rapid expansion of output per head is the relative dearth of capital. In the third place, technical knowledge is not widely distributed nor the means for imparting it available as yet on an extensive basis. There are also removable barriers to the rapid expansion of output in the form of unsound policies respecting agriculture and land use.

In the fifth place, tax policy and administration leave much to be desired. Sixthly, educational levels are too low and an excessive number of children are still without formal schooling.⁹⁵

⁹⁴ Paul H. Douglas "Plant Administration of Labor", Journal of Political Economy, XXVII (July 1919) 544.

⁹⁵ The Northeastern Council for Latin American and Interamerican Studies. Development Programming and U. S. Investments (Philadelphia: University of Pennsylvania Press, 1956) pp. 70.

The main conclusion brought out from this study of the North-eastern Council, was the need of establishing training and vocational schools which prepare laborers in several human activities. The directors of enterprises have to realize that the scientific selection of personnel leads to greater production, better human relations, and a faster development of countries.

In countries like Colombia which offers sound investment perspectives because of its wide economic potential, the growing national production requires a qualified human factor in proportion with new fields of labor. This is a reality which is increasingly becoming more demanding of effective action from businessmen engaged in industrial activities. Also this action is expected from the government if the undertaking is to be fast and effective.

The Colombian government has already started giving its support to private enterprise. Included in these supports are: taxes and tributary incentives, the regulation of foreign investments with certain favorable considerations, and entitlement of foreigners with the right of association through the recognition as juridical persons of their associations and foundations that are not contrary to good morals or the public order. Also the government gives support by financing several technical institutes for workers to receive industrial education so they will improve their efficiency at work. In the Appendix of this thesis more details pertaining to investment of foreign capital and tax incentives will be given.

From these considerations of what is happening in Colombia to the

private sector it is conclusive that the country is directing efforts toward better economic levels by means of more efficient production. More efficient production implies a rise in the ratio of output to inputs. To achieve this goal the productive factor, labor, as the most important input, requires special consideration for its improvement. Therefore, to recognize the advantages of careful selection of workers and appropriate fitting of personnel to the positions to be filled is of primary importance.

In the following chapter under the outline of "Key Suggestions", some recommendations for businessmen are given in order to help their personnel departments in the selection of new employees. Also, some other considerations that may satisfy the needs of their actual employees in a better way are discussed with specific reference to Colombian enterprises.

CHAPTER V

Ways for Improving the Personnel Selection Practices in Colombia

- a. Key Suggestions
- b. Conclusions and Findings

a. Key Suggestions

The following suggestions are directed primarily at Colombian private business firms. They have been deduced from the pattern of Sound Personnel Selection Practices, subject of the second chapter of this thesis, and from the answers given by American private companies pertaining to their basic considerations in the organization of their personnel departments. These suggestions will be listed as policies which must be performed for every company and will be followed by short comments.

1. To know the organization and the jobs to be filled. The executives of the personnel departments and the interviewers must have a reasonably good knowledge of what functions are to be performed by each job in order to determine the qualifications that employees need to perform these jobs. The process of gathering, analyzing, and recording information concerning the duties, responsibilities, and qualifications that are required of the individuals performing each job provides the data that is recorded in the description and specifications for the different jobs.⁹⁶

2. To develop a sound personnel program observing size of the company, operations performed, location, and qualifications of the personnel staff is very important for management to obtain maximum contributions from its employees. Some basic considerations on developing a

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Robert L. Thorndike, Personnel Selection Test and Measurement Techniques (New York: John Wiley & Sons, Inc., 1949), p. 3.

personnel program are later discussed in this chapter.⁹⁷

3. The establishment of a recruitment program on campus involving the participation of the college, the graduate, and the company will enhance the opportunities of finding creative people. Campus recruiting is a cooperative undertaking and its success is substantially dependent upon the spirit of cooperation existing between these participants. By means of college placement offices, companies enhance their opportunities of contacting college graduates able to perform in a number of fields. To assure a sound campus-industry relations, companies must be explicit as to the job descriptions and job requirements.⁹⁸

4. To set up a selection process tailored to the individual needs of the company concerned and cultivate the individual sources of employees from which the company can recruit. The process of selection is dependent upon determining the job requirements, establishing manpower needs, and the recruiting of personnel by each company. Its purpose is to pick out the individuals most likely to succeed on the job from among those who have been recruited. An evaluation of its effectiveness must be done from time to time by comparing the performance of new and old workers.⁹⁹

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George S. Odiorne, "Gearing Personnel Plans and Programs to Organization Needs", Personnel Administration, XXIV, No. 5 (Sept.-Oct. 1961) 11-17.

Also, Llewellyn N. Wiley, "Does Industry Need Task Qualifications Analysis?" Personnel Administration, XXIV, No. 2 (March-April 1961) 23-30.

98 Janie Wallace, op. cit., p. 14.

99 From the answers to the questionnaire given by the personnel director of The Bassick Company of Bridgeport, Connecticut.

5. To recruit personnel in advance of company needs will help avoid improper selection. Factors such as anticipated growth of the organization, expanded special programs of sale or manufacture, and expected trend of the industry, etc., should be constantly studied.¹⁰⁰

6. To attract creative people by means of just salaries, satisfactory working conditions, and opportunities for advancement within the company is a main requirement to assure better candidates.¹⁰¹

7. In order to fulfill objectives such as, win the confidence and good will of the new employees, make them want to continue working with the company, reduce labor turnover, etc., a proper introduction of the new employees to their work, their surroundings, and their fellow workers is well recommended to every company. This introduction or induction procedure must give the new employee essential facts concerning company history such as how it started and expanded, discussion of the policies toward the company's employees and the explanation of the new employee's position in relation to the entire organization of the company.¹⁰²

8. To consider each applicant on the basis of worth-while and life-time employee. Companies want people on jobs as steady employees and endeavor at all times to provide uninterrupted employment. A prerequisite to accomplish this goal is a carefully designed hiring procedure.¹⁰³

¹⁰⁰American Can Company of New York, See footnote No. 22.

¹⁰¹Harley Iams, op. cit., pp. 4-9.

¹⁰²American Can Company, "Orientation Program for New Employees". From a Manual for Employees, p. 3.

¹⁰³From the answers to questionnaire given by Willard E. Smith, Assistant Vice-President of First Merchants National Bank of New Jersey.

9. To hire people first on a temporary work basis, if possible, to see how they fit it. If that is not possible then hire them on a trial period before they become permanent employees.¹⁰⁴

10. In selecting applicants look for the following features: interest, education, past record, industry, ability to get along with others, health, leadership, experience, as being the most important factors to assure success from individuals.¹⁰⁵

11. To delegate authority to the personnel department is a need that management cannot overlook. The personnel department must have enough authority in making its own decisions to select people for the company. Management should share its responsibility with the personnel department.¹⁰⁶

12. To conduct the personal interview with the intent to learn as much about the applicant as possible. The patterned interview permits the structuring of the interview to get the information systematically and chronologically in each of the major areas covered. A form for use in the patterned interview provides a large number of detailed questions to ask the applicant, with clues to the interpretation of the answers. Some examples of this form will be given in the Appendix of

¹⁰⁴From the answers to questionnaire given by the personnel manager of Cit-Con Oil Corporation of Lake Charles, Louisiana.

¹⁰⁵From the answers to the questionnaire given by Pat Doyle, personnel director of Best & Company of New York.

¹⁰⁶From a personal interview with W. E. Hercher, Chief Personnel Technician of Associated Personnel Technicians of Wichita. December 1962. Permission to state his opinion secured.

this study.¹⁰⁷

13. To keep careful records of all applicants and maintain continuing evaluation of their performance is an excellent source of information for promotions and future openings. The procedure for evaluating personnel is commonly referred to as performance evaluation and is customarily reported in the form of a rating to which different terms have been assigned. Methods of personnel evaluation will be explained in the Appendix.¹⁰⁸

14. In hiring workers look first for ability and dexterity and when hiring supervisors and white collar employees, mental ability and leadership are prime qualities.¹⁰⁹

15. To establish a personal relationship with employment agencies and with school placement directors. By being friendly, pleasant, and cooperative, companies can obtain valuable assistance from them. Companies must explain in detail to placement offices about their manpower needs, job requirements, and job specifications in order to contact the candidate with the required qualifications.¹¹⁰

¹⁰⁷ Milton M. Mandell, *op. cit.*, p. 22.

Also, from the answers to the questionnaire given by the personnel director of Automatic Steel Products Inc. of Canton, Ohio.

¹⁰⁸ From the answers to the questionnaire given by the personnel director of The Carter's Ink Co. of Cambridge, Massachusetts.

¹⁰⁹ From a personal interview with W. E. Hercher, Chief Personnel Technician of Associated Personnel Technicians of Wichita. December 1962. Permission to state his opinion secured.

¹¹⁰ American Can Company of New York, *op. cit.*, p. 13

16. When requesting letters of recommendation specific traits about the applicants should be asked. A recommendation is to describe a person from all significant points of view and should cover human traits such as physique, mental capacity, energy, character, personality, temperament, and attitudes toward associates. Even confidential letters from personal friends must be searched to check what has been unsaid in order to make the prospect's information as complete as possible.¹¹¹

17. To select the right kind of tests in hiring managerial personnel and blue collar workers is very important. In almost any situation in which tests are being used for personnel selection and classification, there will be a number of tests that are candidates for the selection battery or set of tests. The problem is to determine what efficiency of prediction can be obtained from the tests together in teams and combinations, and with what weights the tests should be combined to yield the maximum accuracy of prediction.¹¹²

18. To develop a special test scoring key for the company which reflects the standard of acceptability for whatever employee group the test is intended to screen. How to develop a company's scoring key is discussed at the end of this part of chapter four.¹¹³

¹¹¹Robert W. Adams, op. cit., p. 236.

¹¹²Wayne Kirchner and others, "Selecting Foremen with Psychological Tests". Personnel Administration, XXIII (November 1960), 27-29.

Also, R. P. Brown, "The Tests that help you Find Hidden Talent". Supervisory Management, V (January, 1960), 57-58.

¹¹³Clyde Harden, "Selection Tests: How to Develop Your Own Scoring Key". Personnel (January-February, 1960), 65-68.

19. To train thoroughly the personnel managers in the personnel field from a psychological standpoint as well as others. Heads of personnel departments should be specialists in personnel management so the organization and the personnel programs will be highly technical.¹¹⁴

20. Training programs for employees must follow the selection procedure to assure better employee performance at work. The training program should be designed to accomplish aims such as: (a) to prepare the newly hired for advancement within the company and (b) to assist him in his professional advancement.¹¹⁵

Basic principles of human relations like the ones mentioned above are followed by most United States private companies. If the above suggestions are followed and adjusted to the individual characteristics and needs of each business firm, results such as improvement of personnel and better competitive situation of companies may be expected. Proven procedures should take the guesswork out of companies' hiring, since the personnel decisions will be based upon sound principles. The more the companies use stable procedures the easier the job of hiring will become. Companies should plan ahead for employment needs so they will select better employees and will not waste time refilling jobs.

Now let us consider first some basic points in developing a personnel program and then, some principles on selection tests and

¹¹⁴ From the answers to the questionnaire given by the personnel director of Birmingham Trust National Bank of Alabama.

Also, from the answers to the questionnaire given by the manager of the Central Employment Office of Standard Oil Company Inc. of New Jersey.

¹¹⁵ A Carrier For You with Alcoa, op. cit., p. 9.

scoring keys for companies.

Developing a Personnel Program - Certain personnel functions must be performed by every company regardless of its size or the nature of its operations. Every company, for instance, must find employees when needed, remunerate them, maintain cordial relations with them, and motivate their performance to increase satisfaction from their jobs.

Chruden and Sherman in their book Personnel Management bring some considerations upon the development of a personnel program in order to obtain from its functions a maximum contribution. Some of those considerations are:

1. "The personnel program must fit the needs of the organization."¹¹⁶
It has been observed that some companies pattern their personnel program from other business firms which have been operating successfully in the hope that the program will fulfill their own needs. A personnel program that is highly successful in one company may not be so in another because of the different conditions affecting its operations. By all means, the borrowing company must adapt the program to fit its own needs adequately.

2. "Good communication must exist."¹¹⁷ In order to avoid misunderstanding between management and employees a good communication should be maintained. Such communication includes media as magazines, bulletins, meetings, and also attitudes and feelings toward employees.

¹¹⁶

Herbert J. Chruden and Arthur W. Sherman, Jr., op. cit., p. 28.

¹¹⁷ Ibid.

3. "Sound basis for wages and salaries determination".¹¹⁸ It

is very important that the system used to determine wage payments insures that the differences in wages paid reflect the differences in the qualifications and performance required of employees in these jobs. Good objective means for determining wages and salaries influences efficiency and morale.

4. "Develop good union relations."¹¹⁹ A company's personnel

program can have an important influence upon its relations with unions. If good union relations are maintained a company will have better opportunities to develop the type of program that it needs.

5. "Provide adequate opportunities for employees to achieve

work satisfaction."¹²⁰ The fact that there is much personal satisfaction to be gained by employees from doing their work well is frequently overlooked. In order for work to provide a source of satisfaction, the duties and relationship of each job must be organized properly and understood thoroughly by the personnel performing these jobs.

Developing companies' scoring keys for selection tests - A score key is a guide which contains the minimum grading points expected from employees in the answering of selection tests.

In the field of personnel management there is still some discussion as to what extent tests are valuable in selecting employees.

¹¹⁸ Chruden & Sherman, op. cit., p. 28.

¹¹⁹ Chruden & Sherman, op. cit., p. 29.

¹²⁰ Ibid.

Although most companies use them it cannot be denied that many companies have had disappointing experiences with these instruments.

The Quaker Oats Company of Chicago experienced with one of its sales groups validating a test battery or group of tests on their own employees and the results were a significant decrease in the selection errors. The method followed by the Quaker Oats Company is not limited to salesmen selection but it is equally applied for any employee group. In a simplified way the procedure is this:

Step 1. "Select a battery of tests that best measures the traits identified and administer this to the present employee group."¹²¹

Once the personal requirements of the job have been established, the next step is to choose an appropriate test battery and administer it to the present members of the employee group for whom the key is being developed.

Step 2. "Group the performance ratings obtained from the administration of tests into three categories - high, average, and low."¹²² The most practical way to group performance ratings is by thirds - a high, an average, and a low.

Step 3. "Determine which items were answered differently by the high and low groups."¹²³ To identify those items on the test that show a meaningful relationship to performance it may be advisable to

¹²¹ Clyde Harden, op. cit., p. 65.

¹²² Ibid., p. 66.

¹²³ Ibid.

enlist the aid of one of the company's statisticians, a reliable consultant, or a qualified psychologist.

Step 4. "Construct a key scoring only of the "good" items in both studies."¹²⁴ To accomplish this step it is advisable to consult some forms used by Flanagan and Thurstone who have a number of items already underlined relating to different employees' performances.

Step 5. "Score all answer sheets with the new key and plot the relationships between the new scores and performance ratings."¹²⁵ Take all the answer sheets, score them with the new key, and plot the scores against the performance ratings.

Step 6. "Establish a practical cut-off score."¹²⁶ This cut-off or divisional average line is best done diagrammatically indicating that the cut-off screens out most of the low group, half the average group, and a minimum number of the high group. Although the cut-off does not have to be exactly like this it should, however, approach as closely as possible to the considered case.

Step 7. "Evaluate the effectiveness of the new key as a selection tool."¹²⁷ The final step in the procedure is to determine how effective the new key actually is as a selection instrument by comparison of present figures with old ones. In the case of Quaker Oats Company

¹²⁴Clyde Harden, op. cit., p. 67.

¹²⁵Ibid., p. 68.

¹²⁶Ibid.,

¹²⁷Ibid.

they decreased the losses of new employees from one out of three to one out of nine men hired and performance ratings of the new men were good.

Finally it may be said that while this procedure may not satisfy the most rigid standards it does meet minimal requirements to improve the scoring key of tests in most companies.

Conclusions and Findings

In this thesis has been discussed the weaknesses of the personnel selection practices of Colombian private companies and the possible ways to correct them according to their available resources. By available resources it is meant the human and industrial assets actually usable by the business firms in Colombia. The key suggestions given above involve every possibility, as can be seen, of realization of better objectives without making big structural changes in the actual organization of those companies.

The paper has attempted to point out the main features of today's personnel practices of United States and Colombia private companies. Throughout the research it was assumed that efficiency increases when companies follow good selection programs. Attempt has been made to explain why Colombian businessmen follow certain personnel selection practices. Although there are more reasons which could be brought into the explanations of Colombian personnel practices it was difficult to gather enough sources of information to back up our knowledge. There

has been limitations as to written material and publications of personnel departments of Colombian firms revealing their personnel programs.

In several parts of this research emphasis was placed on the need for an effective organization of the personnel departments in order for companies to coordinate the activities of their employees in the achievement of their objectives. Also it was said that every company, regardless of the nature of its organizational structure, must have qualified employees in order to operate effectively. And it was conclusive that the recruitment and selection of such personnel can be accomplished more efficiently if the duties that each employee is to perform are analyzed carefully and described accurately.

It is sincerely trusted that if Colombian business firms started giving their personnel offices the confidential place they should have within the organizations, the function of providing companies with specialized personnel services in a consistent way would be enhanced. However, an immediate change of the business situation in Colombia cannot be expected. This is a task that companies will accomplish year by year each time better. The most important factor is that there is a desire of progress by the employment of more technical means to achieve the objective of every single competitor in a free economic system, that is, efficiency.

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APPENDIX A

Salesman's Patterned Interview

Sales Unit or Plant _____

Applicant's Name _____ Interviewer _____ Date _____

Manager's Appraisal:

This man should be checked from time to time on _____

General comments _____

Present address _____ City _____ How long at this address? _____

Previous address _____ City _____ How long at this address? _____

Why are you applying for work in this company? _____

What is there about our job that appeals to you? _____

WORK EXPERIENCE

Last or Present Position:

Company _____ City _____ From _____ 19__ To _____ 19__

How did you get this position? _____ Was it part time? _____

Full-time? _____

What was your work at the start and what other jobs did you hold in the company? _____ Salary at start _____ Salary at leaving _____

Who is or was your superior? _____ How do or did you and he get along? _____

_____ What supervisory responsibilities did you have? _____

What records did you have to keep? _____ Did you have to handle money? _____

What did you like about your work? _____

What did you dislike? _____

Why did you leave? _____

What made you decide to quit at this particular time? _____

What part-time jobs do or did you have? _____

Next to Last Position:

Company _____ City _____ From _____ 19__ To _____ 19__

How did you get this position? _____ Was it part-time? _____ Full-time? _____

What was your work at the start and what other jobs did you hold in the company? _____ Salary at start _____ Salary at leaving _____

Who was your superior? _____ How did you and he get along? _____

What supervisory responsibilities did you have? _____

What records did you have to keep? _____ Did you have to handle money? _____

What did you like about your work? _____

What did you dislike? _____

Why did you leave? _____

What made you decide to quit at this particular time? _____

Other Positions:

| Name of Company | Type
of Work | Date
Started | Date
Left | Reasons
for Leaving |
|-----------------|-----------------|-----------------|--------------|------------------------|
| 1. _____ | | | | |
| 2. _____ | | | | |
| 3. _____ | | | | |

Other Work Information:

Why do you think you can sell? _____

What attributes do you have that qualify you for a sales job? _____

(If applicant has had other jobs) Which of your previous jobs have you enjoyed most? _____

On which job have you been most successful? _____

Why? _____

Any experience in meat cutting, meat markets, or grocery stores? _____

How did you (or how would you) like it? _____

If employed, would you agree to an assignment elsewhere? _____

How would your wife and family feel about moving? _____

How soon can you start work? _____ If unemployed since leaving school, how long were you out of work? _____

How did you spend the time? _____

How did you support yourself? _____

Have you ever drawn unemployment compensation? _____ (If yes) When and how long? _____

DRIVING RECORD

(If car is owned) What is its make, age, and condition? _____

Is it paid for? _____ Do you have a driver's license? _____

What accidents have you had while driving? _____

Do you have a chauffeur's license? _____ Has your license ever been revoked? _____ For what? _____

What fines have you paid for traffic violations? _____

What other arrests have you had? _____ What were the charges? _____

SCHOOLING

How far did you go in school? Grade: 1 2 3 4 5 6 7 8 G _____ High School: 1 2 3 4 G _____ College: 1 2 3 4 G _____

Principal courses: _____ Degrees _____

What was your average grade in last school attended? _____

Age at leaving school _____ Date of leaving school _____

If you did not graduate from high school or college, why not? _____

What correspondence, night school, or trade courses have you taken? _____

Were they completed? _____ If not, why? _____

While in high school, in what activities, such as athletics, debating teams, or class politics, did you participate? _____

Officer in any of these groups? _____ While in college, in what activities, such as athletics, debating teams, or class politics, did you participate? _____ Officer in any of these groups? _____

What was the principal source of your spending money while in high school and college? _____

(If not already covered) What school jobs did you have? _____

FAMILY BACKGROUND

Occupation of your father when you were growing up? _____

At present? _____ Number of brothers and sisters _____

Number older _____ Number younger _____ What financial help was it necessary for you to give your family while you were growing up? _____

Occupations of your brothers _____

How did you spend your time after school and on Saturdays? _____

How did you spend your summer vacations while in school? _____

To what groups such as Boy Scouts, Hi-Y, or 4-H Clubs did you belong? _____

Did you hold any positions of leadership in these groups? _____

How old were you when you became fully self-supporting? _____

PRESENT FINANCIAL SITUATION

Do you own your home? _____ How many rooms? _____ (Value) \$ _____

Amount of mortgage \$ _____ Rent (Amt.) \$ _____ Board \$ _____

Live with relatives? _____ Is furniture owned? _____

What does it cost you to live per month for everything? _____

What debts other than current living expenses do you have? _____

Have you ever been ~~sued~~, had your wages garnished or assigned? _____

On your last job how much money did you save \$ _____ What is your total net worth (including savings, property, etc.)? \$ _____ Do you give your parents, relatives, or others any support? _____ If yes, how much? _____

What employment does your wife have? _____ Earnings? _____

What other source of income do you have? _____

How much insurance do you carry? Life \$ _____ Accident \$ _____

Health \$ _____ Automobile (Liability) \$ _____ If no insurance,

Why? _____ (Property damage) \$ _____

DOMESTIC AND SOCIAL SITUATION

Married _____ (Date) _____ Single _____ Engaged _____ Widowed _____

Divorced _____ Separated _____ Dependents: Number _____ Ages _____

What domestic trouble have you had? _____

Have you been married previously? _____ If yes, what date? _____

When did you separate? _____ Why? _____

What does your wife think about selling as a career? _____

What do you and your wife do for recreation? _____

What hobbies do you have? _____

Do any of your or your wife's relatives live with or near you? _____

Do you drink intoxicating liquor? _____ To what extent? _____

(Doesn't drink) _____ What type of personalities rub you the wrong way? _____

HEALTH

What serious illnesses, operations, or accidents did you have as a child?

_____ What illnesses, operations, or accidents have you had in recent years? _____

Do you have trouble with: Rupture? _____ Nervousness? _____ Rheumatism? _____

Asthma? _____ Weak back? _____ Hay fever? _____ Stomach trouble? _____

Heart trouble? _____ T.B.? _____ Other? _____ Are you subject

to sinus trouble or colds? _____ How much time you lost because

of illness in your last year of employment? _____

Does anyone in your home have ill health? _____

MILITARY SERVICE INTERVIEW

This interview should be conducted and recorded on all persons who served in the armed forces.

Branch of Service: Army _____ Navy _____ Marine Corps _____ Coast Guard _____

Merchant Marine _____ How did you come to be in that branch of service? _____

HISTORICAL

On what date did you enter the service? _____ Where and on what date

was your service terminated? _____

Rank when entered the service _____ Rank when service terminated _____

Were you ever demoted in rank? _____ When? _____ Why? _____

Were you in foreign service? No _____ Yes _____ Where? _____

Date left? _____ Date returned? _____

Were you ever in combat? No _____ Yes _____ In what campaigns? _____

What awards, citations, or mentions did you or your unit receive? _____

PHYSICAL CONDITION

Were you ever hospitalized while in the service? No ☐ Yes ☐

If yes, for what? Where? When?

For how long?

Have you fully recovered? NO ☐ YES ☐

Do you suffer from any permanent disabilities? No ☐ Yes ☐

If yes, to what degree?

Are you drawing any disability compensation? No ☐ Yes ☐ Amt. \$

SOCIAL ADJUSTMENTS

Were you subjected to any disciplinary action while in the service? ☐

What was your reaction to discipline in the service?

What do you think of the service as a career?

Was there anything you especially liked about the service?

Was there anything you especially disliked about the service?

How were you treated by your officers or superiors?

MISCELLANEOUS

Have you ever taken any training at government expense, or received financial help from a Government bureau? No ☐ Yes ☐ Specify

Do you plan to take advantage of veteran's benefits in any way? No ☐ Yes ☐
Specify

Are you in the National Guard? ☐ When must you report for duty?

Are you in the reserve? No ☐ Yes ☐ Active ☐ Inactive ☐ If yes, rank

If in reserves, when must you report for training and for how long?

(If applicable) Why didn't you return to your pre-service job?

What did you do immediately following your separation?

Under what circumstances was your service terminated? Convenience of the

Government _____ end of the term _____

Medical _____ Dependency _____ Other _____

What was the character of your discharge? Honorable? _____ Without

honor? _____ Dishonorable? _____ If not honorable, why? _____

APPENDIX B

Methods of Evaluation of Personnel

Herbert J. Chruden and Arthur W. Sherman, Jr. in their book Personnel Management bring some major types of evaluation methods which include:

- a. Ranking method
- b. Method of paired comparisons
- c. Graphic rating scale method
- d. Forced distribution method
- e. Man-to-man method
- f. Check-list method
- g. Critical incident method
- h. Forced-choice method
- i. Free-form evaluation method¹²⁸

A brief explanation of these methods would be the following:

(a) Ranking method. Under this method of evaluation each evaluator or rater arranges his men in rank order from the best to the poorest

(b) Method of paired comparisons. This method involves the comparison of each individual with all of the others in the group

(c) Graphic rating scale method. Each trait or characteristic to be rated is represented by a line or scale on which the rater indicates the degree to which he believes the individual possesses the trait or characteristic. Example -

| Trait | Poor | | | Average | | | Excellent |
|-------------|------|---|---|---------|---|---|-----------|
| Instability | 0 | 1 | 2 | 3 | 4 | 5 | 6 7 |

(d) Forced distribution method. This method requires the rater to distribute his ratings in accordance with a pattern that conforms to the average distribution, thereby forcing him to assign some low ratings to some employees and high ratings to others.

(e) Man-to-man method. The man-to-man method involves a master scale for each trait. On this scale the names of men who are known to the rater (usually present and past employees) are located according to his judgment.

(f) Check-list method. This method involves having the rater check those statements on a list that he feels are characteristic of the employee's behavior.

¹²⁸Chruden and Sherman, op. cit., p. 216.

(g) Critical incident method. The evaluator identifies, classifies and, records critical incidents in employee behavior.

(h) Forced-choice method. One type of forced-choice scale is made of groups of four statements (known as tetrads), two of which are descriptive of desirable characteristics and two of which are descriptive of undesirable characteristics. The rater is presented with a list of tetrads and instructed to indicate in each the one statement that is most descriptive and the one statement that is least descriptive of the individual being rated.

(i) Free-form evaluation method. Under this method the evaluator is to comment in his own words about the employee's performance.

APPENDIX C

Number of economists graduated from Colombian universities up to 1960

| <u>Year</u> | <u>Completed 4 Years of College</u> | <u>Graduated</u> |
|-------------|-------------------------------------|------------------|
| 1946 | 5 | 0 |
| 1947 | 6 | 1 |
| 1948 | 4 | 1 |
| 1949 | 20 | 3 |
| 1950 | 16 | 3 |
| 1951 | 37 | 3 |
| 1952 | 40 | 1 |
| 1953 | 51 | 1 |
| 1954 | 60 | 5 |
| 1955 | 51 | 43 |
| 1956 | 40 | 9 |
| 1957 | 59 | 10 |
| 1958 | 89 | 13 |
| 1959 | 110 | 19 |
| 1960 | 139 | 26 |

Colombian Universities offering courses in Economics

1. Andes
2. Antioquia
3. Nacional
4. Atlantico
5. Medellin
6. America
7. Cartagena
8. Valle
9. Colegio Mayor de Nuestra Senora del Rosario
10. Gran Colombia
11. Jorge Tadeo Lozano